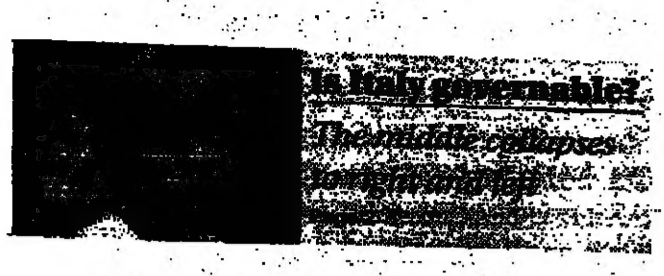

Telecoms in China
Battle to break the monopoly
Page 6

Sharing the pain
Sub-contractors are squeezed in Japan
Page 14

Office networks
Radio is the wave of the future
Page 15

FINANCIAL TIMES

Europe's Business Newspaper | TUESDAY NOVEMBER 23 1993

Delors and Clarke clash over EU jobs crisis

Jacques Delors, president of the European Commission, clashed with Kenneth Clarke, UK chancellor of the exchequer, over the principle of work sharing to combat the unemployment crisis in Europe.

Mr Delors accused Mr Clark of being "unconstructive" and rebutted *the chancellor's charge that* a short working week and job-sharing would lead to even higher unemployment. Page 20

Hopes fade for Japanese recovery: New gloomy Japanese economic indicators coincided with a 3.1 per cent fall in the Nikkei average, the second biggest fall in share prices this year, *to the lowest level since early March.* Page 20

German telecoms alliance: Three of Germany's largest companies have formed an alliance in preparation for the liberalised European telecoms market. A consortium of Mannesmann, the engineering group, RWE, the energy-based conglomerate and Deutsche Bank, Germany's largest bank, plans to offer telecoms networks to corporate clients in Germany. Page 20

BASF, the German chemicals group, is likely to cut its dividend again this year and expects business to remain weak before turning up in 1995. Pre-tax earnings for the first nine months of the year were down *44 per cent at DM607m* ($354m). Page 21; Lex, Page 20

Lebanon turns to Eurobond market: The Lebanese government plans to raise *$300m through* three-year Eurobonds in its first Eurobond offering to help pay for the rebuilding of Beirut. Page 21

US company pension deficit climbs: The shortfall in the 50 US corporate pension funds with the biggest deficits climbed from $29bn to $38bn by the end of last year, and may have grown to $50bn by now. Page 21; Lex, Page 20

S Africa transitional summit opens: South African MPs began a three-week session summoned to adopt a transitional constitution which will end white rule next April. President F.W. de Klerk said the occasion was probably the last session of parliament constituted as it is at present. Page 4

US tax rules exemption row: The US's top tax official arrived in Geneva to explain to international trade *negotiators why the US wants* an exemption from global trade liberalisation rules on taxes for foreign service providers. Page 6

Enichem, *the chronically lossmaking* petrochemicals arm of Italy's Eni energy and chemicals group, is to cut service and support staff by 10,000 within four years. Page 21

Cuba plans 'collective government': Fidel Castro's Cuba is switching to a more collective form of administration and away from dependence on the leadership of one person, according to Roberto Robaina, the foreign minister. Page 3

P&O in Chinese port venture: UK transport and construction group Peninsular and Oriental Steam Navigation and Hong Kong property and aviation conglomerate Swire Pacific are to invest *HK$615m ($80.5m) in a Chinese container port* near Hong Kong. Page 30

Nigeria arms sales to continue: Britain, *Germany and other European Union countries* are expected to maintain existing arms sales contracts to Nigeria despite last week's military takeover. Page 4

Kenya wants aid to resume: Kenya is seeking "substantial" financial support to clear external debt arrears and close projected gaps in the balance of payments. Page 4

The FT today introduces wide-ranging changes in the presentation of financial statistics. Tables throughout the Companies and Markets section have been redesigned to improve relevance and clarity. A special pull-out supplement, Pages 33-36, explains the changes.

■ STOCK MARKET INDICES		
FT-SE 100:	3070.6	(-37.4)
Yield	3.88	
FT-SE Eurotrack 100	1331.12	(-29.41)
FT-A All-Share	1517.41	(-1.0%)
Nikkei	17,384.84	(-556.35)
New York: lunchtime		
Dow Jones Ind Ave	3664.66	(-29.35)
S&P Composite	458.60	(-4.00)
■ US LUNCHTIME RATES		
Federal Funds:	$3\frac{1}{16}$%	
3-mo Treas Bills: Yld	3.167%	
Long Bond	$98\frac{13}{32}$	
Yield	6.338%	
■ LONDON MONEY		
3-mo Interbank	$5\frac{13}{32}$%	($5\frac{1}{2}$%)
Liffe long gilt future:	Dec $115\frac{1}{8}$	(Dec $115\frac{23}{32}$)
■ NORTH SEA OIL (Argus)		
Brent 15-day	$N/A	(15.885)
■ Gold		
New York Comex (Dec)	$378.5	(378.3)
London	$379.0	(378.6)

■ STERLING		
New York lunchtime:		
$	1.4785	
London:		
$	1.4745	(1.472)
DM	2.5125	(2.525)
FFr	8.73	(8.7575)
SFr	2.2025	(2.2175)
Y	159.75	(159.5)
£ Index	81.0	(same)
■ DOLLAR		
New York lunchtime:		
DM	1.701	
FFr	5.917	
SFr	1.49165	
Y	108.15	
London:		
DM	1.7035	(1.715)
FFr	5.92	(5.95)
SFr	1.493	(1.507)
Y	108.23	(108.3)
$ Index	66.9	(67.0)
Tokyo close Y 108.48		

Austria	Sch30	Greece	Dr300	Lux	LFr65	Qatar	QR12.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft 185	Morocco	MDh13	Singapore	S$4.10
Bulgaria	Lw25.00	Iceland	IKr215	Neth	Fl 3.75	Slovak Rp	KSL45
Cyprus	C£1.00	India	Rs40	Nigeria	Naira45	South Africa	R12.00
Czech Rp	CZK45	Israel	Shk5.90	Norway	NKr16.00	Spain	Pta210
Denmark	DKr15	Italy	L2700	Oman	OR1.50	Sweden	SKr15
Egypt	E£4.50	Japan	Y500	Pakistan	Rs35	Switz	SFr3.20
Finland	FM12	Jordan	JD1.50	Philippines	Peso45	Syria	S£50.00
France	FFr9.00	Kuwait	Fils.600	Poland	Zl 32,000	Tunisia	Din1.250
Germany	DM3.30	Lebanon	US$1.25	Portugal	Esc215	Turkey	L8000
						UAE	Dh11.00

Partial municipal vote favours left and right at expense of centre parties

Milan stocks fall on poll setback for ruling coalition

By Robert Graham in Rome

The unprecedented collapse in support for Italy's ruling coalition in Sunday's municipal elections provoked sharp falls in the Milan stock exchange yesterday and weakened the lira.

The nervousness in the financial markets reflected the view that fresh general elections would be held early next year amid increased political uncertainty.

The elections, which covered a quarter of the electorate in 428 cities and towns, left every party that has ruled Italy since the second world war mauled equally by parties on the left and the right wing.

The long-dominant Christian Democrat vote fell on preliminary *returns to no more than 10* per cent across the country – less than half the already bad result obtained in partial municipal elections in June. The big beneficiary was the former Communist party of the Democratic Left (PDS) and the leftist alliances it sponsored.

On the right, the protest vote in central and southern Italy swung heavily in favour of the *neo-fascist MSI. The MSI is* expected to pick up about 30 per cent of the vote in Rome and Naples.

In northern Italy, the populist Northern League continued to pick up the protest vote against the traditional parties.

The Christian Democrats have now lost control of every big city administration, including Palermo, the Sicilian capital, where Mr Leoluca Orlando, *founder of* the reformist movement La Rete (The Network), obtained a remarkable 74 per cent to become mayor in a clear rebuff to the dominance of the Mafia.

Mr Mino Martinazzoli, Christian Democrat leader for the past year, admitted yesterday: "The defeat was very severe, very bitter and much bigger in scale than *one could imagine.*"

On the basis of Sunday's poll involving 11.1m voters, a quarter of the electorate, the sole political force likely to muster a coalition to govern Italy after an early general election would be the party of the Democratic Left (PDS). The PDS is the heir to the former Communist party of Italy (PCI) and since 1947 the political and business establishment has *fought to prevent the Communists* from entering government.

The decline in support for the coalition supporting Mr Carlo Azeglio Ciampi, the prime minister, reduced the four-party coalition providing the government's parliamentary majority to less than 15 per cent. That compares with 48.8 percent in the 1992 general elections.

The markets' view is that this is likely to weaken his authority as his government, mainly of technicians, seeks to get the 1994 budget approved. Worries also arose that the privatisation programme would be slowed or altered.

The Milan bourse saw shares fall an average 3.2 percent, the largest single decline since *November 1992 in the wake of the* European currency crisis. However, the shares of quoted companies in which the state is due to sell off its stake fared worse.

The lira fell to L988 against the D-Mark, compared with L975 last week.

Background, Page 3
Editorial comment, Page 19

Associated Press
Leoluca Orlando, leader of the reformist La Rete movement, celebrates victory over the Christian Democrats in Palermo

European equity prices dip sharply

By John Pitt and Terry Byland in London

Weakness in securities markets in Japan and the US brought setbacks in share prices throughout Europe yesterday. Disappointing money supply statistics from Germany *increased apprehension* that global interest rates might be about to turn upwards.

In London, the FT-SE 100 Share Index fell 37.4 points to 3,070.6, ending the day in poor form as Wall Street equities and Federal bonds opened the new session lower. UK market analysts began to question whether Mr Kenneth Clarke, the UK chancellor of the exchequer, *will be able to deliver* the cut in domestic interest rates that has been widely predicted in the Budget, due a week today.

Higher than expected German M3 data proved the trigger for widespread selling in continental Europe's equity markets. In Germany, the DAX index of leading stocks shed 2.3 per cent, while in France the CAC-40 index tumbled *nearly 3 per cent. The* markets had earlier been undermined by a 3 per cent fall in Tokyo.

European equity strategists remarked that the German figures indicated that there was now less scope for cuts in interest rates before the year-end.

Lex, Page 20
World stocks, Section II

Shares in KLM fall as merger collapses

By Ronald van de Krol in Amsterdam and Hugh Carnegy in Stockholm

Shares in KLM Royal Dutch Airlines fell heavily yesterday in response to heightened prospects *for a rights issue after the* weekend collapse of the four-airline Alcazar merger talks.

KLM, whose talks with Swissair, Scandinavian Airlines System and Austrian Airlines were broken off on Sunday, said it had *no plans at the moment to seek* another European partner.

It said it would consider a share issue and could count on the participation of the Dutch government, which owns 38.2 per cent of KLM.

The four-way talks ended in failure after KLM insisted that the new European carrier should co-operate with its existing US partner, *Northwest Airlines. The* other three airlines preferred Swissair's US partner, Delta Airlines.

Speaking after the collapse of the merger talks, Mr Pieter Bouw, chairman, said: "When the time is ripe, we will certainly go to the market."

KLM's shares, which had risen on Friday on expectations of a European merger *deal, fell by* Fl 3.30 yesterday, or 8.1 per cent, to close at Fl 37.20.

Previously, Dutch unions suggested that *KLM* might seek to strengthen its capital by Fl 1bn ($520m). Analysts believe the share issue would probably be closer to Fl 500m. KLM's market capitalisation is slightly more than Fl 1.9bn.

SAS said yesterday it was likely to seek to deepen its existing co-operation with Swissair and Austrian Airlines.

The airline, which lost SKr1.13bn ($135m) in the first nine months, said it would concentrate initially on a plan announced this month to cut costs by up to SKr2.5bn, including shutting 12 routes and selling 17 aircraft, *to get back into profit* in 1995.

SAS had wanted Alcazar to work because it feared it could

Continued on Page 20
Stock market reports, Section II

EU foreign ministers agree Bosnia plan

By David Gardner in Luxembourg

The European Union yesterday backed a Franco-German plan to offer Serbia a gradual suspension of the UN sanctions wrecking its economy, in *exchange for more land for* Bosnia's embattled Moslems. It was the Union's first joint action under the Maastricht treaty.

Foreign ministers of the 12, meeting in Luxembourg alongside the Western European *Union, the EU's embryonic* defence arm, also threatened to use force to get aid convoys through Bosnia.

Aid deliveries were suspended four weeks ago after attacks on convoys, and Bosnia's huge refu*gee population faces catastrophe* as winter takes hold.

The 12 foreign ministers, along with Lord Owen, the EU peace negotiator, and commanders of the UN peace force, have invited military and political leaders of *the warring parties to Geneva on* Monday to discuss humanitarian aid and the steps towards a peace settlement.

The EU plan has been discussed with Washington, and the US and Russia are being invited *to Geneva next Monday.* Mr Douglas Hurd, UK foreign secretary, said "we are very anxious not to get into any tangles, as we did earlier in the year with the Americans," when the US and Europe clashed over Washing*ton's plan to lift the UN arms* embargo on Bosnia and to bomb Serbian positions.

Ministers made clear yesterday they were offering only a progressive phasing out of sanctions on Serbia and its ally Montenegro. *This will be conditional on* Serb, and possibly Croat, surrender of some of the land seized from Bosnian Moslems, a ceasefire, and untramelled passage for aid convoys and airlifts into Tuzla, Mostar and Sarajevo.

The *total suspension of sanc*tions, in line with UN security council resolution 871, would be contingent on a *modus vivendi* being reached over the Serb enclave of Krajina in south Croatia, and over Belgrade's domina*tion of the ethnic Albanians of* Kosovo.

The presence of Bosnia's contending militia commanders at the Geneva meeting was seen yesterday as vital to the plan's prospects. Last Thursday, Mrs *Sadako Ogata, the UN High Com*missioner for Refugees, gained agreement from the Bosnian parties' political leaders to reopen main aid supply routes this week, but they are still blocked.

The EU now wants local military *commanders to sign up to* last week's agreement, and for UN forces to be able to take military action – including from the air – against "uncontrolled elements" who flout it.

Of the three main contributors *of troops to UN forces in Bosnia,* France emphasised that using force was not excluded, while Spain said militia units breaking any accords reached in Geneva would be treated as "irregulars". Mr Hurd said "there might be *action" against those breaking* agreements but "that was a matter for judgment."

He said General Jean Cot, commander of UN troops in Bosnia, who briefed ministers yesterday, had made clear "the impossibility of forcing aid through against sustained opposition." Gen Cot has asked for 4,000 reinforcements and, as of yesterday, had pledges of a Dutch battalion and contingents from Pakistan and Malaysia.

Volvo uses French pledge to defuse revolt over merger

By Christopher Brown-Humes in Stockholm

Volvo made a final push yesterday to defuse a shareholder revolt against its proposed merger with Renault by saying it had received new assurances from the French government on *the most controversial aspects of* the deal.

It said France had confirmed it would not use its golden share against Volvo, providing the Swedish group did not attempt to lift its stake in the combined group to more than 35 per cent.

This confirmation, aimed at removing fears of a dilution of Volvo's stake in the merged group, would be written into the agreement between the two companies, it stated.

Volvo added that a reaffirma*tion by Mr Edouard Balladur, the* French prime minister, of a target date for the privatisation of Renault in the second half of next year, subject to the market conditions, carried more weight than earlier assurances on the *subject.*

Mr Balladur's comments, contained in a letter to his Swedish counterpart, Mr Carl Bildt, were published for the first time yesterday. Mr Pehr Gyllenhammar, Volvo chairman, said: "The Volvo board feels that two important questions have now been clarified."

He believed the assurances would be enough to persuade sceptical Swedish institutional shareholders to back the deal. Their hostility to the accord, which has centred on the golden share and the privatisation timetable, forced Volvo to delay a meeting to approve the deal until December 7.

However, Aktiespararna, the small shareholders association which initiated the revolt maintained its opposition. It said the golden share provision still compromised the value of Volvo's shareholding in the merged company.

Institutional shareholders declined to comment, saying they needed more time to study the *new information.*

Volvo also raised its estimate of the potential savings from the merger, which will combine its car and truck operations with the whole of Renault, from FFr30bn ($5.1bn) to FFr42bn. The new figure, *which assumes FFr17bn* savings on the truck side and FFr25bn for the car operations, is based on a fresh analysis by Booz Allen & Hamilton, the US consultancy, of the combined group's truck businesses.

CONTENTS

■ Voters take revenge on corrupt politicians ■ Post-war ruling parties humiliated

Italy's political earthquake swallows up the centre ground

By Robert Graham in Rome

The spectacular collapse of the Christian Democrats in Sunday's municipal elections has created a huge vacuum in the centre-ground of Italian politics.

Local elections have traditionally mirrored closely voter loyalties in general elections in Italy. There is nothing to suggest that Sunday's poll, covering a quarter of the electorate in 428 cities and towns, might be an exception.

Voters have swung in almost equal proportions to leftist coalitions and individual right-wing parties. Every party associated with running the country in the post-war era has been humiliated.

The outcome, clearly predicted by opinion polls, was scarcely surprising given the discredit heaped on the ruling parties after 18 months of non-stop revelations of monumental political corruption.

Indeed, it is remarkable the corruption scandals should have taken so long to eat into traditional electoral habits, especially in the centre and south of Italy. In local elections in June, the Christian Democrats nationwide held on to over 20 per cent of the vote against 29 per cent in the April 1992 general elections.

This time the Christian Democrat vote has fallen to around 10 per cent nationwide and it controls no major city administration. Their Socialist allies along with their two other minor partners in the coalition supporting the Ciampi government are close to extinction.

> If voters in Rome did not wish to vote for the former communists, the neo-fascists were about the only alternative

The speed of change is perhaps best measured against the minimal fluctuations in party votes in the 30 years up to 1993. The Christian Democrat vote never moved more than six percentage points.

Significantly, the polls over the past month have recorded a steady increase in the polarisation of the vote away from the Christian Democrats, and this trend seems to have been accentuated on polling day.

On the left, if such ideological labels still carry meaning, the formerly communist Party of the Democratic Left (PDS) has proved it has both the organisation and the appeal to forge successful alliances up and down the country. The PDS is also reaping the benefit of having been the first of the traditional parties to reform itself, rejecting the Communist Party name in 1991 in favour of a Social Democratic image.

The PDS has relied in most cities on linking up with the Green and Radical parties, and sometimes the referendum reformist movement of Mr Mario Segni, as well as dissident Christian Democrats, as in Trieste, and hardline ideological rivals, Reconstructed Communism, as in Taranto. These alliances have been able to muster on average 40 to 45 per cent of the vote.

On the right, the populist Northern League of Mr Umberto Bossi has demonstrated convincingly that it can obtain 30 per cent of the vote throughout the north and be the largest party. The party has also begun to push down towards the centre, doing well in a key city like Genoa – even if the League is unlikely to wrest the prize of the mayor's seat in the December 5 run-off.

Because all other parties "ganged up" against the League, it may not be able to obtain as much municipal power as it would like. Nevertheless, the League should benefit considerably from the new laws for national electoral laws introducing a first past the post system. And although regionally based, it can claim around 20 per cent of the national vote and rivals the PDS for the role of largest national party.

Just as the League has benefited from the discrediting of traditional parties in the north, the neo-fascist MSI has proved it can do the same in the centre and south. The MSI has done extraordinarily well in Rome and Naples, gaining over a third of the vote and becoming the largest single party.

The MSI has since the fifties been strong in southern Italy, running second or third behind the Christian Democrats and Socialists. But the sudden increase in its support is seen entirely as a protest vote to humble the former Christian Democrat and Socialist potentates. The confused ideas of the MSI, which look with nostalgia to Mussolini for inspiration, have played little role in its new appeal.

Quite simply, if voters did not wish to endorse the PDS ticket in cities such as Rome out of visceral mistrust of the communists, the MSI on Sunday was about the only alternative. Moreover, it has not been smeared by corruption, largely one suspects because it has been excluded from power by the traditional parties.

If translated into a general election, Sunday's result would cut the share of the vote of the four-party coalition supporting the government from 47 per cent to below 15 per cent. This makes the composition of parliament even more out of tune with electoral opinion and complicates the task of the Ciampi government. It makes early elections inevitable.

However, the full impact of the local elections will not be felt until after December 5 when the municipal run-off elections take place. This will be a key test for the PDS to demonstrate as in Turin in June that it can appeal beyond the Left and attract a centre vote. If it can, the party will be well placed to claim to lead the next coalition government – on Sunday's poll there would be no alternative combination.

But the collapse of the traditional centre also leaves room for someone like Mr Segni, the former Christian Democrat, to step in and pick up the pieces – and retrieve votes from the MSI and League.

All smiles yesterday from Gianfranco Fini, whose neo-fascist MSI party made big gains in the elections Reuter

Russian PM wins reformers' backing

By John Lloyd in Moscow

A consensus that Prime minister Viktor Chernomyrdin of Russia should remain in his post after the forthcoming elections appears to be emerging among Russian reformers, including leaders of Russia's Choice, the party led by Mr Yegor Gaidar, first deputy prime minister and economics minister.

Mr Mikhail Poltaranin, a colleague of Mr Gaidar in Russia's Choice and head of the Federal Information Centre, said he could see Mr Gaidar remaining the "engine of reform" while Mr Chernomyrdin "stood on the captain's bridge".

Mr Chernomyrdin said in a weekend interview: "I feel the full support of the President in carrying out my duties". He called for reforms to take a more "social direction".

Other pro-reform blocs, such as the Party of Unity and Accord led by Mr Sergei Shakhrai, have urged Mr Chernomyrdin to remain as prime minister. Mr Alexander Shokhin, a deputy prime minister and leading member of Mr Shakhrai's party, said last week that Russia's Choice would soon endorse Mr Chernomyrdin.

Mr Sergei Yuzhenkov, Mr Poltaranin's deputy and a leader of Russia's Choice, said yesterday the group's position was to leave the choice of prime minister to the president, and make no nomination themselves. But if Russia's Choice, at present leading in the polls, does well in the elections, Mr Gaidar and his supporters may feel themselves strong enough to insist on his being chosen.

UK seeks delay in complying with EU waste water rules

By Lionel Barber in Brussels

Britain yesterday sought a delay in complying with European Union legislation on cleaning up sewage water, on grounds that the £10bn ($14.9bn) cost was five times higher than originally calculated.

Mr Kenneth Clarke, UK Chancellor of the Exchequer, told EU finance ministers his request was part of a British campaign to review, and possibly roll back, existing EU laws on cost grounds.

He served notice that the UK intended to identify other environmental and social legislation which he believed was burdening industry unnecessarily .

The UK aim is to invoke the principle of "subsidiarity" in the Maastricht treaty which calls for power to be devolved from Brussels to the lowest appropriate national, regional or municipal level. "We need to open up the whole area," Mr Clarke declared.

The 1991 urban waste water directive sets down a goal for cleaning up sewage in cities by the year 2005. Mr Clarke made clear that the principle of cleaner water was "perfectly worthwhile", but only within a stretched timetable.

The Conservative government agreed to the 1991 directive, but Mr Clarke suggested that the environment secretary at the time had in retrospect made a mistake because the cost of compliance had risen from £2bn to £10bn.

The Chancellor said the UK's request for a new timetable was justified in order to avoid the costs of compliance being passed on to the UK consumer. He said he was also pressing for EU finance ministers to be more closely involved in general in monitoring Brussels legislation which placed new burdens on industry.

● European Community finance ministers have agreed to impose tighter checks on banks, insurance companies and investment firms to avoid another BCCI-type scandal, agencies report from Brussels.

The new rules oblige bank auditors to report any wrongdoing they spot in credit institutions and any parent company, whatever its activity.Financial institutions will have to have their head office in the same EC country as their registered office so supervising authorities can control them.

The rules widen the list of bodies entitled to access to confidential information on such institutions to barristers and accountants when making official inquiries. The legislation still needs European Parliament approval.

NEWS IN BRIEF

Bank chief appointed in Greece

Greece's Socialist government yesterday appointed Mr Ioannis Boutos, a former economy minister, as governor of the central bank, writes Kerin Hope in Athens.

The move appeared to signal that plans to make the bank independent have been shelved. Mr Boutos, 68, has no banking experience but has close ties to prime minister Andreas Papandreou.

He succeeds Mr Efthymios Christodoulou who resigned last week, together with both deputy governors.

French ratify EEA treaty

The French parliament yesterday ratified the European Economic Area treaty, Reuter reports from Paris, clearing the way for the accord, signed in Portugal in May 1992, to come into force on January 1. The treaty extends to six European Free Trade Area members – Austria, Finland, Sweden, Norway, Iceland and Liechtenstein – the European Union's single market and competition rules.

Ukraine sets currency rate

Ukraine's national bank set a new official rate of 6,980 karbovanets to the US dollar yesterday, writes Jill Barshay in Kiev. Earlier this month, a presidential decree shut down the Kiev interbank currency exchange auction, the only official market mechanism for determining foreign exchange rates. The weak interim currency had lost more than 80 per cent of its value on the exchange in three months.

Bargain prices for KIO Madrid office blocks

By Tom Burns in Madrid

Two unfinished office blocks were sold by the Kuwait Investment Office yesterday for a fraction of their market value to creditor institutions and to the parent company of one of the KIO's earliest domestic partners.

Called the Gateway to Europe because the towers lean towards each other, the prestigious property at the northern end of Madrid was purchased by Caja de Madrid, the city's savings bank, representing a syndicate of 24 financial houses, and by FCC, a construction group. The buyers paid Pta16.6bn (£81.4m) at an auction held by receivers acting for Prima Inmobiliaria, the property unit of the KIO's Spanish holding company, Grupo Torras.

Two earlier auctions for the property held by the receivers had attracted no bidders when they had set reserve prices of of Pta85.9bn and Pta63bn. Under domestic receivership rules, the third auction set no price and the only buyers were Caja de Madrid and FCC which each acquired one of the blocks. An estimated further Pta7bn will be required to complete the towers.

Prima Inmobiliaria, whose subsidiary Urbanor owned the site of the twin towers and was developing the office blocks, went into receivership a week after Grupo Torras declared itself bankrupt with debts of $2.1bn (£1.4bn) in December last year. The crash of the KIO's Spanish holding remains highly controversial owing to protracted disputes between its past and former management, and is the object of complex court litigation.

Kozyrev warns Armenia over aid

Mr Andrei Kozyrev, Russia's foreign minister, yesterday threatened Armenia with "something other than persuasion" if it did not curtail its support for the Armenian-dominated enclave of Nagorno-Karabakh in Azerbaijan. It had reached a limit, he said "beyond which...lies direct harm to Russia's national and state interests".

This is the first time a senior Russian politician has directly threatened retaliation against Armenia for its sponsorship of the Karabakh independence movement, a sponsorship the republic has always denied. It comes after an incident at the weekend when Mr Vladimir Kazimirov, Russia's mediator in the Armenian-Azerbaijan conflict, came under fire and two Azeri escorts were injured.

At a hastily-summoned news conference, Mr Kozyrev demanded a public apology for the incident from Mr Levan Ter-Petrosyan, Armenia's president, along with the punishment of those responsible. He threatened an end to Russian aid if the apology were not forthcoming.

Armenia is heavily dependent on Russian assistance, especially over fuel.

Mr Kozyrev said his concern was motivated by the recent advance of the Armenian forces far beyond the enclave's borders to take wide swathes of Azeri territory, causing floods of refugees.

The conflict threatens to involve both Turkey and Iran on the side of Azerbaijan. The stage seems set for pressure on Armenia to take part in talks to end the conflict.

New offer may end compensation row

By Judy Dempsey in Berlin

Germany's coalition partners will today decide whether to accept fresh proposals for compensating former property owners in east Germany. If accepted, it could pave the way to ending a two-year-old dispute which has hindered investment in the region.

The proposals, drawn up by a working group led by Mr Friedrich Bohl, head of the Chancellery office, would increase the amount of money paid to former owners, as well as abandon a controversial tax penalty which would have been imposed on those receiving compensation.

The compromise package will leave the finance ministry with a deficit of DM10bn (£3.9bn). But it could speed up investment in eastern Germany which has been plagued by outstanding property disputes. Fewer than a quarter of eastern Germany's 1.2m claims on 2.6m titles have been resolved. Those who had property confiscated by the Nazis between 1933 and 1945, and by the communists between 1949 and 1990 are entitled to full restitution or compensation. Owners of property expropriated by the occupying Soviet forces between 1945 and 1949 cannot get their land back. But under the latest draft proposals, they will receive the same levels of compensation.

The Compensation Fund, set up to pay former owners, will be increased by DM4.5bn to DM17bn, and financed partly by income earned by the Treuhand privatisation agency.

Those entitled to compensation will receive coupons which can be cashed in from 2004. The value of the coupons will be based on the 1935 valuation of property.

Market fall blamed on money growth

By Christopher Parkes in Frankfurt

Unexpectedly strong growth in German money supply during October was blamed partly for a sharp fall in the Frankfurt stock market yesterday, but economists were divided over its impact on prospects for interest rates.

Provisional Bundesbank figures showed the broad M3 measure, seasonally adjusted, expanded at an annualised 6.8 per cent, unchanged from September, and still above the bank's 6.5 per cent ceiling.

Stock exchange traders, concerned that further interest rate cuts may be delayed, marked down stocks. The blue-chip Dax index fell 47.37 points (2.28 per cent), to close at 2,030.

Money market operators saw the rising dollar as a potential hindrance to early cuts in the Bundesbank's key discount lending rate, last reduced 0.5 to 5.75 per cent a month ago.

But economists said continuing weakness in the German economy and falling inflation would encourage the central bank to stick to its established policy of cautious easing.

Mr Adolf Rosenstock, chief economist at the Industrial Bank of Japan in Frankfurt, said he expected November inflation in west Germany to fall to 3.6 per cent compared with 3.9 per cent in October.

Figures from the federal statistics office yesterday showed west German producer prices unchanged in October, though still 0.3 per cent down on a year earlier.

Bundesbank private-sector lending rose at an annualised 9.2 per cent in the six months to the end of October, against 8.2 per cent in the same period to the end of September.

Petrochemicals in Europe face difficult future

By Paul Abrahams

FT Europe's petrochemicals industry is facing a fundamental decline in competitiveness, according to Mr Edward Wilson, vice-president strategic planning of Dow Europe.

"The problems on the horizon loom large and the social and economic consequences are frightening," he said. The region's trade surplus in petrochemicals was shrinking as imports grew faster than exports, European chemical output was slowing, while the Pacific region had become the fastest-growing chemical producing area, he told the Financial Times petrochemicals conference yesterday.

Europe was suffering from high monopoly energy pricing, high-cost, low productivity labour, high environmental costs, and a punishing tax regime, said Mr Wilson. In addition, the sector suffered from a lack of pipeline infrastructure to transport low-cost ethylene to low-cost downstream plastic manufacturers.

"American ethylene manufacturers are earning twice the amount on their investment as the best European counterparts. The average return on investment in 1991 for North American producers was 28 per cent, compared with a European average of 13 per cent," said Mr Wilson.

A pick-up in the growth of the world economy next year would not bring back petrochemical operating rates back to peak levels before 1997 or 1998, said Mr Wilson. Certain sectors would continue to be troubled. Demand for PVC would be flat for the rest of the decade because of public pressure to reduce the use of chlorine, he warned.

Poor pricing was not the root cause of the industry's problems, but rather the reflection of those problems. The industry needed to rationalise, but the traditional method of looking at the viability of ethylene plants was flawed. Normally, analysts only looked at costs. If back-integration with refineries, logistics and the choice of downstream products were analysed a different picture emerged.

"Under current conditions there is a $200 difference per tonne of ethylene between the best and worst European plant, but there is a $1,000 difference between the lowest and highest margin," said Mr Wilson.

The determination of the Italian and French governments to privatise their petrochemicals companies should allow former state companies to participate in facing up to the industry's crisis, said Mr Wilson.

Ukraine shivers as energy dwindles

By Jill Barshay in Kiev

Ukraine's rapidly dwindling energy supplies have prompted the prime minister, Mr Yefim Zviagilsky, to call for an "economic state of emergency" to force energy saving measures.

The energy ministry has warned that Ukraine has reserves for just one month. If nothing was done to help import gas and oil, the ministry said, Ukraine "could expect an Armenian winter" – referring to last winter when Armenians lived without heat and electricity during their war with Azerbaijan.

Ukrainian enterprises have already been asked to reduce the gas they use by 30 per cent, and some factories have been ordered to halve their energy consumption.

Bankrupt Ukraine, reliant on Russia for about 90 per cent of its oil and gas, owes its eastern neighbour about $700m (£470m) for energy. Negotiations to swap debt for Ukraine's share of the Black Sea fleet have stalled and the republic has no money for energy shipments.

According to the energy ministry $300m worth of oil and gas is needed immediately, and it is urging the government to resume negotiations with Russia for special winter deliveries. It calculates that $9bn worth of oil and gas will be needed to get through 1994 without factory closures.

Russia has been raising energy prices in an effort to stop its subsiding of former Soviet republics. It currently charges Ukraine about 70 per cent of world prices – in roubles, rather than Ukraine's currency, which has lost more than 80 per cent of its value in the past three months.

But the Ukrainian economy has been too weak to absorb these price shocks. Kiev subsidises electricity for the domestic market by about 90 per cent, and is thus unable to cover the cost of energy imports with receipts from its sale.

Instead, the republic's leaders have used export earnings from agriculture and metals. But their recent currency control policies have discouraged official exports, leaving state coffers empty. Ukraine is only earning $15m a week, and it needs around $20m a day for energy.

Ukraine's domestic energy sector provides about half the country's needs, but is experiencing difficulties. Nuclear power stations are plagued by shortages of fuel and safety concerns. Coal mines are nearly exhausted and are controlled by politically active unions who frequently strike.

The energy crisis is now dominating parliament, and has prompted a special energy producers' congress and an emergency cabinet meeting on the subject.

Some argue that the government needs to issue more credits, but as the parliamentary chairman, Mr Ivan Plyshch, points out: "If you want paper, the so-called legal currency, I can give the order for the printing presses to start running right away. But that would only add to hyperinflation."

Ironically, the energy crunch is forcing Kiev's Soviet-style leaders to contemplate the previously unthinkable: closing down inefficient industries. "Since we can't stop heating homes or supplying agriculture with fuel, we must close down a number of high-energy-use enterprises," said Mr Vilen Semenyuk, energy minister. "The only other choice is to get more fuel."

Meanwhile, with temperatures touching minus 20°C, Ukrainians are adjusting to power cuts and colder homes and offices in the worst winter for 50 years.

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Cuba set for 'collective government'

By Canute James in Kingston

Cuba is changing its method of government to a more collective form of administration, according to Mr Roberto Robaina, the foreign minister.

Speaking in Jamaica at the weekend, he said the switch away from dependence on the leadership of one person – a situation that has existed for the past 34 years – was part of the political and economic changes being implemented by President Fidel Castro's administration.

The changes would mean that the country's future would not depend on a new person appearing to succeed President Castro, but on a strong collective leadership.

Mr Robaina, who is making official visits to several of Cuba's neighbours, is himself reported to be favoured by Mr Castro to play a prominent role in the island's political leadership, and could be the next president.

Earlier this year President Castro said he hoped it would not be "necessary" for him to be president when his current term expired in five years.

"Fidel has been urging this change for a long time," Mr Robaina said. "There are now many of the younger generation involved in this leadership project."

The minister gave no details of how the collective form of government would work, nor who would be involved. Diplomats in Havana said yesterday that the plan to move away from strong individual leadership was an attempt by President Castro to forestall any internecine fights among aspiring successors.

China's President Jiang Zemin paid a brief visit to Cuba at the weekend, Reuter reports from Havana. President Fidel Castro described the visit, the first by a Chinese leader, as a gesture of great friendship, adding that Chinese socialism had achieved "colossal successes."

Mr Jiang spent just under a day on the island on his way to Brazil after attending the Pacific Rim conference and meeting President Bill Clinton last week.

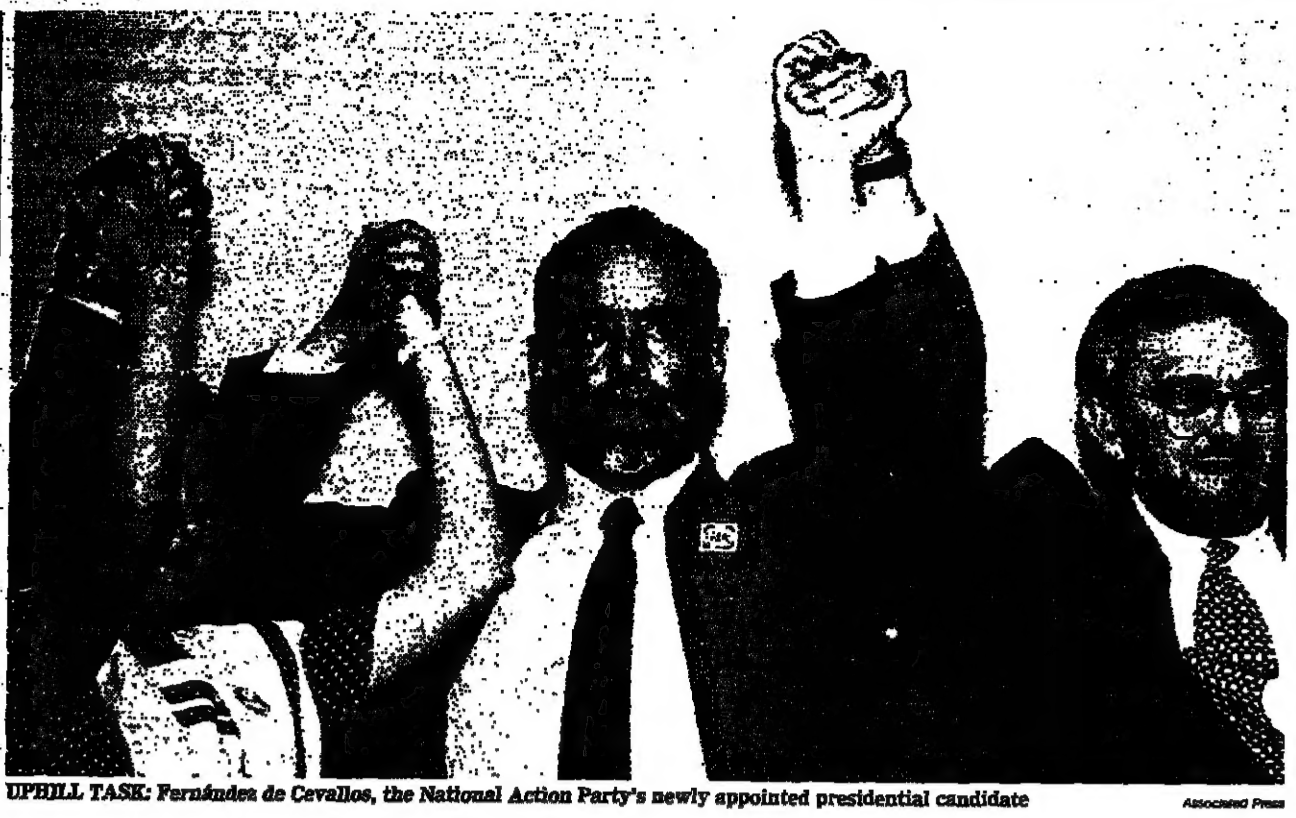
The government, which has been seeking private foreign investment in Cuba's embattled economy, has introduced several economic changes in the past six months, allowing private and co-operative farms and permitting Cubans to hold and use foreign currency.

Mr Robaina denied the changes were the result of US pressure.

"My country is suffering not only from the economic blockade by the US but also from the collapse of its economic relationship with the former Soviet Union," he said.

"In a changing world it is necessary for everyone to find his own way. Cuba is inserting itself into the world economy and not just trying to settle its relations with the US."

Cuba was willing to discuss the economic embargo with the US, but would do so on the basis of "mutual respect" and without preconditions, he said. "We have always been in a position to talk and the only condition which we have strongly stated is mutual respect," he said.



UPHILL TASK: Fernández de Cevallos, the National Action Party's newly appointed presidential candidate — Associated Press

Mexican centre-right in poll choice

Mexico's centre-right opposition National Action Party has chosen Mr Diego Fernández de Cevallos, the party's leader in the House of Deputies, as its candidate in next year's presidential election, writes Damian Fraser from Mexico City.

Mr Fernández de Cevallos is from the faction of PAN which supports co-operation with the ruling Institutional Revolutionary Party. He negotiated with the PRI the recently approved democratic reforms, criticised by many in PAN and on the left.

The candidate was elected with 65 per cent of the vote of party members. The PRI has been in power for 64 continuous years, and is overwhelming favourite to win next August's election.

Mr Fernández de Cevallos is little known outside Mexico City, and his aloof manner may put off many voters. His candidacy has been widely interpreted as a help to Mr Cuauhtémoc Cárdenas, the presidential aspirant from the leftist Party of Democratic Revolution.

Peru aims to renegotiate $7bn debt

By Sally Bowen in Lima

Peru's economy and finance minister, Mr Jorge Camet, meets the country's leading commercial bank creditors in New York today following the approval of a law which will allows bank debt to be used as payment in privatisations.

Mr Camet and the banks, led by Citibank, are aiming to initiate renegotiation of Peru's $7bn debt with about 230 international commercial banks.

Peru's Congress approved the law, under pressure from the administration of President Alberto Fujimori, late on Friday.

However, it left in place a potential stumbling block to the negotiations with the banks by postponing debate over recognition of a controversial $20m loan. The loan from Chemical Bank and American Express, made in 1984 for the purchase of two steamships, was repudiated by former president Alan Garcia on the grounds it was fraudulent.

In Lima, the new legislation provoked sharp criticism from some economists. They say it confuses two contradictory objectives: the reduction of Peru's total debt stock and the attraction of more bidders to the sluggish privatisation programme. They accuse the leading banks of exerting undue pressure on the government to benefit from the spiralling value of Peru's debt paper in the secondary market.

Three years ago, Peruvian secondary debt was quoted at an all-time low of around 4 cents on the dollar. By February this year it had climbed to 20 cents and now stands at about 54 cents, even though Peru's capacity to pay is unchanged. The country's entire foreign debt totals some $22bn, more than six times annual export revenue.

The precise amount of the commercial debt has yet to be determined. Principal is only $2.7bn, but interest and penalties since Peru halted service have pushed the total to between $6.5bn and $7bn.

According to economy ministry figures, the new law frees more than $10bn of secondary debt paper for privatisations.

Sumitomo fined in Canada

A Canadian court has fined the local subsidiary of Japan's Sumitomo Chemical C$1.25m (£641,000) for taking part in an international conspiracy to rig the market in forest insecticides, reports Bernard Simon from Toronto.

The fine against Sumitomo brings total penalties imposed on three multinationals involved in the arrangement to C$5.4m. Chemagro, a subsidiary of Bayer, the German chemicals group, was earlier fined C$2m for two separate infringements. Both companies pleaded guilty.

Sumitomo and Chemagro arranged in the late 1980s to share the market for a chemical insecticide used by provincial forestry agencies and private companies in Newfoundland and New Brunswick. The conspiracy was uncovered when US-based Abbott Laboratories disclosed its involvement in another arrangement with Chemagro.

Curaçao votes to stay put

Curaçao has voted overwhelmingly to remain within the Netherlands Antilles federation, rejecting the options of being an overseas possession of the Netherlands or of political independence, reports Canute James from Kingston.

The vote at the weekend was to determine whether the 170,000 people of the Caribbean island wanted to follow neighbouring Aruba which left the federation four years ago. The islands are a growing offshore banking and financial services centre, and also depend on tourism.

The Dutch Caribbean islands are responsible for all aspects of their administration, except foreign and military affairs which are controlled by the Dutch government. Persistent reports of official corruption and laundering of drug money have caused the Hague to consider increasing its influence in local affairs.

DC fails to win statehood vote

By Jurek Martin in Washington

Supporters of statehood for the District of Columbia were yesterday claiming a symbolic victory even after the House of Representatives voted down a proposal to bestow full democracy on the nation's capital.

Sunday's 277-153 vote came as no surprise. Only one Republican supported statehood, along with about 60 per cent of the Democrats voting.

In reality, the prospects of DC ever gaining full independence, meaning two senators and at least one member of the House as well as much greater financial autonomy, never stood a chance.

The capital's budget is still mostly determined by Congress, supplemented by local property and sales taxes. Its mayor and city council are elected by popular franchise, as is the delegate it sends to the House, whose vote, however, is not counted if a result hangs on it. The 600,000 residents do vote in presidential elections, however.

Mr Jesse Jackson, a leader of the statehood movement, complained that the White House had not worked hard enough for the lobbying campaign, though President Bill Clinton is on record as supporting independence.

But the DC delegate, Mrs Eleanor Holmes Norton, said she was "ready to declare victory right now", mostly because the House debate was the first time either chamber had considered statehood in full session.

The principal Republican objection is a natural aversion to creating two new senators, both very likely to be liberal Democrats and probably black, given the District's political and racial composition. But even prominent Democrats like Mr John Dingell from Michigan argued in the debate that federal interests in the capital city needed the continued protection of Congress.

More than that, there is a common perception that DC is badly governed as it is, particularly in its attempts to combat violent crime, now running at an all-time high. Last month, Mayor Sharon Pratt Kelly asked for powers to call in National Guard reservists to help police the streets, but was rebuffed by Mr Clinton.

Successive DC governments have also been scandal-prone, especially that of the previous mayor, Mr Marion Barry. He served a jail sentence for narcotics offences, but once released was promptly elected to the city council and retains a sizeable local following.

The principal pro-statehood argument is that it is anomalous that the residents of DC, more numerous than in half a dozen other states, are not fully enfranchised.

EU members to keep up Nigeria arms sales

By Michael Holman, Africa Editor

Britain, Germany and other European Union countries are expected to maintain existing arms sales contracts to Nigeria despite last week's assumption of power by General Sani Abacha, the country's defence minister.

European foreign ministers are preparing a joint response to the forced resignation of Chief Ernest Shonekan, Nigeria's civilian head of government, but are understood to have ruled out a ban on current arms supplies. At least two European countries have substantial arms contracts with Nigeria.

Britain is supplying 150 Vickers tanks under a deal negotiated two years ago. The order is thought to be critical to Vickers' Newcastle factory, where 750 jobs would be lost if the plant closed.

The Nigerian Air Force is understood to have ordered Air Beetle training aircraft made by the German manufacturer Dornier, cancelling the provision in the 1993 budget to buy 36 Slingsby Firefly aircraft at a cost of N500m (based on exchange rate of N20 to the dollar). The British-built Fireflys were the only defence item specified in the 1993 spending plan.

Gen Abacha: contracts safe

A local press report said the new order is for 100 German aircraft (64 more than budgeted) and would mean one trainer for each trainee pilot in the air force.

In a confidential report to the Shonekan administration, delivered at the end of August, a committee appointed to monitor state spending warned that the country's defence ministry had run up "huge debts" which the government would be hard pressed to meet.

Gen Abacha' action was strongly condemned by Mr Douglas Hurd, British foreign secretary. He deplored "the decision of the Nigerian military to reverse the democratic process in Nigeria and to dissolve all democratically elected institutions... Mr Hurd went on: "Military dictatorship cannot solve Nigeria's problems. This is a serious step backwards, not only for Nigeria but for Africa as a whole."

A package of limited international sanctions was introduced earlier this year, after President Ibrahim Babangida annulled the June presidential poll and extended military rule beyond the promised August handover date. He subsequently stood down after extending Mr Shonekan's tenure as head of an interim government, which promised fresh election in February and a handover in March.

In response, Britain suspended visas to military members of the government and ended military training programmes.

In an address to the nation shortly after taking office, Gen Abacha promised a constitutional conference in the coming months but has not given a new date for civilian rule.

Nigerians returned to work on Monday after the main trade union federation reached an agreement with the government on domestic fuel prices and called off a week-long strike.

Kenya seeks 'substantial' support

By Michael Holman and Leslie Crawford

Kenya is seeking "substantial" financial support to clear external debt arrears and close projected gaps in the balance of payments. Mr Musalia Mudavadi, minister of finance, told a donors' meeting in Paris yesterday.

The consultative group meeting, chaired by the World Bank, is the first since November 1991, when donors froze new aid until the government implemented political and economic reforms.

The intervening two years had seen "fundamental political and economic change", Mr Mudavadi told the conference. He did not, however, set a target for aid pledges. Debt arrears, thought to total $700m will not be negotiated at the Paris meeting, but discussed directly with creditors.

Mr Mudavadi appealed for help in meeting a food shortfall of 1.25m tonnes, from July 1993 to September 1994, which will cost $200m. The shortage has been caused by poor rains.

Reviewing developments in the economy, the minister said the government had completed a policy framework paper which had been put to the IMF and World Bank.

Inflation had been brought down from 100 per cent to 50 per cent, and the underlying rate on a three month annualised basis was 24 per cent.

Acknowledging that this year's budget deficit of 6.1 per cent of GDP was high, the minister said the government planned to bring this down to 2.9 per cent in 1994-95.

Spending cuts would include a reduction in state employees, by 16,000 a year over the next three years.

Donors acknowledge significant progress in recent months.

As well as curbing inflation, Mr Mudavadi has liberalised trade, floated the shilling, and cracked down on financial wrong-doing in the banking sector. He has even managed to dislodge some of the worst abusers of public office from their sinecures at the central bank and certain parastatal companies.

But donors yesterday expressed concern about ethnic clashes in which more than 1,000 people have been killed, with Kikuyus taking the brunt of the casualties. Mr Mudavadi gave details of a $20m programme to assist the victims.

Diplomats were cautious in their response yesterday, suggesting that the restoration of fast-disbursing aid will be modest, and linked to further progress in economic reforms.

Japan spearheaded Kenya's financial rehabilitation last month with a new $77m credit. The World Bank has about $120m in suspended programme assistance; the IMF another $60m. Together, these funds should help cover Kenya's balance of payments gap next year.

A small group of right-wingers marching on parliament in Cape Town yesterday as South African MPs started a three-week session summoned to adopt a transitional constitution which will end white rule in April next year. President F W de Klerk said the session "might in all probability be the last session of parliament constituted as it is at present... We have a constitution... which once and for all will get rid of the albatross we have had around our necks for the past 300 years, namely that we did not have a fair and just system." Legislators from the ruling National party had earlier closed ranks behind Mr de Klerk after a four-hour meeting.

Egypt denies Israeli gas deal

The Egyptian oil ministry yesterday denied it had agreed to supply natural gas to Israel through a pipeline to be built from the Nile Delta, Reuter reports from Cairo.

Oil Minister Hamdi el-Banbi said in a statement that he and Israeli Energy Minister Moshe Shahal had agreed to co-operate closely and exchange visits by experts.

But his spokesman, Mr Mohammed Shawkat, denied a statement by Mr Shahal's ministry that Egypt had agreed to supply Israel with 2m tonnes of natural gas a year for 25 years, using a pipeline that would also supply the Gaza Strip.

"There is no mention of any pipelines or agreements to supply certain amounts of natural gas to Israel and any reports to this effect are factually wrong," Mr Shawkat said.

"We have only said Egypt is willing to export any gas surplus, if any, at market prices," he said. "This does not necessarily mean Israel specifically."

Brokers' pilgrimage fails to stop the fall

Emiko Terazono on mysticism and some material facts affecting the stock market

Sixty officials from leading Japanese brokerage houses made a pilgrimage earlier this month to the Grand Shrine of Ise, the sanctuary of the Shinto sun goddess, to try to stop the fall in the Tokyo stock market.

It didn't work. Yesterday the Nikkei 225 index fell to an eight-month low of 17,384.84, down 14 per cent from a month ago.

"It feels like August last year [when the market hit a six-year low]," says Mr Geoffrey Barker, economist at Baring Securities in Tokyo. "Liquidity is being drained from the market and the government is doing little to help."

The catalysts for the fall have been technical, as they were last year. The October listing of East Japan Railway, the largest flotation since 1987, drained liquidity from the stock market. A shift in trading from the Nikkei 225 index to the Nikkei 300 index has also caused investors to unload stock excluded from the new index, which has exaggerated the fall.

Such selling has been felt strongly in a market lacking support from public pension and insurance funds. In addition, overseas investors, who were attracted to the market since the yen's appreciation against the dollar earlier this year, are no longer buying as the yen has started to retreat.

Technical factors aside, underlying confidence over the economy and corporate earnings has continued to deteriorate and investors have become increasingly uneasy at the price of shares. After a spate of poor earnings estimates for the year to March, prospective price-earnings ratios were pushed as high as 95 at the end of October.

Many of the companies that reported interim earnings during the past few weeks have revised downward their profit estimates for the latter part of the year. According to the Nihon Keizai Shimbun, the business daily, pre-tax profits at 1,237 leading businesses are expected to fall 21 per cent for the year to March and there are fears a recovery may not be seen until late next year.

The stock market is warning that earnings will not recover without shedding jobs

Nippon Life, the country's largest life assurer, says the market's support levels lie around 17,000 on the Nikkei 225 or 1,430 on the Topix index, 4.2 per cent below yesterday's close. Many analysts are disinclined to predict how low the market could fall if shares do pass through these points.

With bank lending already weak from slack demand for funds, government officials have repeatedly refused to support the stock market, arguing that the effects on the financial system are limited.

However, the impact of a further market fall on business sentiment could be devastating as companies may no longer be able to treat unrealised profits on shareholdings as a buffer against poor earnings. Further erosion of such unrealised gains could spark profit-taking. Banks, which want to use profits on long-term shareholdings to cover losses from write-offs of their mounting bad loans, are also likely to need to realise profits before share prices fall further.

For a full recovery in share prices and investor confidence, an upturn in the economy is essential but, what is more important, corporate leaders need to implement aggressive restructuring to cut unwanted costs. For the past year, leading companies have been announcing cost-cutting plans consisting of restraining capital investment, shuffling staff and curbing production. All have seemed half-hearted by western standards.

Mr Kazuo Tamayama, director at Yasuda Kasai Brinson Investment Management, says the stock market will bottom out around April next year when companies depart from the Japanese corporate tradition of life-time employment and start shedding staff. "The stock market is sounding its bell, warning that earnings will not recover unless companies make that big decision," he says.

See World Stock Markets, Back Page, Section 11

Furniture future for Ghana's forests

Leslie Crawford on a company developing a downstream industry

Afromosia, asanfuna, iroko, utile... these mysterious African names for the towering giants of Ghana's tropical forests are being tamed by a pioneer furniture exporter in the heart of the jungle.

Scanstyle Mim is an unlikely candidate to be blazing a trail in Ghana's attempts to add more value to its $130m-a-year timber exports.

The company's main contact with the outside world is through a crackly radio transmitter. Ghana's national electricity grid only reached the factory in Mim last year. Yet Scanstyle is responsible for more than 90 per cent of Ghana's furniture exports. Its earnings are modest – $6m last year – but the potential is huge. The company's turnover has grown six-fold since 1982. And in terms of added value, Scanstyle's furniture earns five times as much as the same volume of unprocessed timber.

To date, however, few logging companies in Ghana have dared to follow in Scanstyle's path. The reason, says Mr Kwabena Pepera, the company chairman, is that logging earns more money with less risk. "You can sell lumber to anyone, but if an important consignment of furniture is rejected, you risk bankruptcy."

Mr Pepera believes many Ghanaian manufacturers find it difficult to export because they cannot meet the quality standards demanded by overseas customers.

But technology is only one of the hurdles in the export race. Local manufacturers often have little knowledge or experience of marketing their products abroad. And the financial system in Ghana is not yet geared to providing pre-export finance or long-term capital for new plant and machinery.

In its own small way, Scanstyle is a textbook case of how these obstacles were overcome.

The company was set up by a Norwegian in 1968, who spotted an opportunity to use the offcuts of a large sawmill in Mim to produce flooring and panelling. In the early 1980s, the Norwegian decamped to Singapore, frustrated by the government curbs on his business in Ghana. What he left behind, however, was a knowledge of the European furniture market and the quality standards required to keep customers happy.

"Under the old government controls," Mr Pepera recalls, "we could not export a single chair. But we had Lebanese traders coming from the Ivory Coast and paying cash to smuggle our goods through the jungle." Times have changed. Since Ghana embraced free-market reforms in 1983, life for exporters has become easier. There is less red tape: export and import licences have been abolished; foreign exchange controls scrapped; and the cedi has been devalued, making Ghanaian exports more competitive abroad.

Scanstyle began by exporting knocked-down furniture components. It moved on to assemble some of the garden furniture and chair parts at the factory before shipping them in flat-pack form. With the help of a $400,000 Japanese loan, the company has bought computer controlled lathes from Italy that will allow it to tackle more complex furniture.

Mr Pepera's main headache is the fight for logging concessions. These are carefully rationed by the government because of deforestation of the country. His needs are modest compared to the appetite of the Goliaths of the logging industry, but he has only obtained permission to exploit 60 square miles of forest. He says he needs five times that area to meet export demand.

Scanstyle's biggest market is the UK, where it sells garden furniture and chairs in tropical hardwoods. The company also exports to Germany, Italy and Ireland.

"The government is very strict about where and what you can cut, and the spacing between fellings," Mr Pepera says. "Some of the old lumber guys have been so ruthless that certain species are almost impossible to find. We are importing Afromosia from the Cameroons."

He hopes his business will expand when a government ban on the export of raw timber comes into force in 1994. Somehow, he doubts the ban will be enforced. Ghana is desperately short of foreign exchange, and timber exports earn $130m a year. Logging is the biggest money spinner after cocoa and gold.

But if the government wants to promote export diversification – a key to its economic strategy – it is going to have to push loggers into downstream processing.

"Fairly soon Ghana will have to take a deep breath and decide where it wants its forestry industry to go," Mr Pepera's son Paul, the company manager, argues. "Indonesia banned log exports in the 1980s and the local industry responded with a tremendous investment drive into molding and furniture. Indonesia's ban was what enabled the country to cross the rubicon into value added exports."

It is what he hopes will happen in Ghana.

Pyongyang plays a high-stake poker game

North Korea and the US are engaged in a race against time, writes John Burton

The presidents of the US and South Korea are expected to make a last-ditch attempt to persuade North Korea to abandon its nuclear weapons programme when they meet in Washington today.

In an effort to defuse the mounting tension between North and South Korea, President Bill Clinton and President Kim Young Sam are likely to offer to suspend the joint annual Team Spirit military exercise in South Korea. In return, they will seek a resumption of international inspections of North Korean nuclear facilities and talks on de-nuclearisation of the Korean peninsula.

The deal could pave the way for settlement of a dispute sparked in March by North Korea's threat to withdraw from the nuclear non-proliferation treaty. If Pyongyang offers proof it has ended its nuclear arms development programme, the US has suggested it might grant diplomatic recognition and provide economic aid.

The latest US initiative follows a statement by North Korea that it would consider a package of simultaneous compromises with Washington.

Both sides are racing against time. A possible declaration in the next few weeks by the International Atomic Energy Agency (IAEA) that North Korea has broken nuclear safeguards by refusing to accept inspections could force the UN Security Council to consider economic sanctions on Pyongyang. That might trigger a hostile response by North Korea and lead to a conflict in the most heavily-armed area on the planet.

"A war on the Korean peninsula might last only a month and end in the defeat of North Korea, but the destruction would be unimaginable," a western diplomat said. Whether such an apocalyptic event will occur depends on North Korea's true intentions in provoking the crisis and the west's response to it.

The prime aim of Pyongyang's nuclear weapons programme seems to be to ensure survival of North Korea and the ruling family of President Kim Il-sung.

North Korea is confronting increased problems in the post-Cold War world. Its economy has shrunk by an annual 5 per cent in the past three years. Reports persist of disturbances caused by food shortages. Abroad, collapse of the socialist bloc has left the North isolated, as witness the recent 140-1 vote in the UN General Assembly urging Pyongyang to comply with nuclear inspections.

The North has lost the support of one key ally, Russia, and relations have cooled with another, China, after Moscow and Beijing set up diplomatic ties with Seoul. Even the North's conventional military force, although bigger than the South's, is ageing, while Seoul rapidly modernises its army.

It is an insecure North Korea that views nuclear weapons as the ultimate guarantee of its continued existence. "It's the last card they have left to play," says Mr Adrian Foster-Carter, director of the Leeds University Korea Project.

But how Pyongyang plans to use that card is open to question. Some of those who favour a hardline approach to the North Korean nuclear issue argue that Pyongyang may be intent on taking South Korea by force once it completes the development of nuclear weapons. Possession of nuclear missiles aimed at US military bases in Japan might force the US to think twice about supporting Seoul in a conflict.

But other analysts believe North Korea would never risk invading South Korea again as it now lacks powerful allies. Instead, Pyongyang is engaged in a high-stakes game of diplomatic poker, using its nuclear programme as a means to win concessions. These would include US diplomatic recognition, which would imply international acceptance for the permanent division of Korea, and western economic aid. Adding to the uncertainty over North Korea's nuclear programme are varying estimates of how close Pyongyang is to producing a nuclear weapon. US intelligence estimates range from a few months to five years.

Whatever North Korea's nuclear intentions are, the US has based its opposition to Pyongyang's possession on two main grounds: one, it would deal a blow to efforts to stop nuclear proliferation. North Korea's acquisition of nuclear weapons, despite being a signatory to the nuclear safeguards treaty, would encourage others to violate the agreement; two, the US fears a renegade North Korea could provoke a nuclear arms race in north-east Asia by forcing Seoul and Tokyo to follow suit. Pyongyang might also emerge as a supplier of nuclear technology to other anti-western nations.

The US has few options to stop North Korea's nuclear programme. A pre-emptive attack on the North's Yongbyon nuclear facilities is highly unlikely; it would almost certainly precipitate an attack on South Korea.

Economic sanctions are also questionable. China may veto a sanctions resolution in the UN as it tries to extend its influence in the region by protecting North Korea. The US is urging Beijing to support sanctions if China's efforts to intercede with the North Koreans fail.

Even if sanctions are imposed, they could be ineffective. North Korea's border with China, its chief outside source of oil and food, is porous.

Moreover, sanctions could provoke an attack by North Korea. "Sanctions are regarded as being perilously close to an engagement of war and the North may see no alternative but to fight," one diplomat said. For this reason, China, South Korea and Japan are urging the US to be cautious over sanctions.

The US so far has pursued a conciliatory approach to solving the nuclear inspection issue. But pressure is growing in Washington for the Clinton administration to adopt a tougher approach if North Korea refuses to accept IAEA inspections soon.

"The Clinton administration is already being criticised for being weak on foreign policy; to some in Washington the offers to North Korea smack of appeasement. I don't know if the administration could sell diplomatic recognition to the US public and media even if North Korea accepts full inspections," one US official says.

If North Korea is engaged in diplomatic brinkmanship, it may have to decide soon whether to accept the present package of US concessions, instead of holding out for more and risking seeing them disappear.

Washington and Pyongyang may be seriously seeking a negotiated solution to the dispute, but the situation is still fraught with possibilities for miscalculation, and for conflict.

Assembly of Black Hawks

Korean Air defiant over helicopters

By John Burton in Seoul

Korean Air yesterday said it would not comply with a government order to transfer the equipment and technology for assembling engines for the American UH-60 Black Hawk helicopter to Samsung Aerospace.

The Korean Defence Ministry announced yesterday that Samsung Aerospace would become the sole engine manufacturer for a second order of 67 Black Hawk helicopters. Korean Air was appointed by Seoul in 1990 to assemble the first 81 UH-60 helicopters and engines bought by the country's armed forces.

South Korea's main airline, which has ambitions of developing aerospace manufacturing, argued that the transfer of the licensed technology cannot be done without the approval of General Electric of the US, the engine's original manufacturer.

Korean defence officials said, however, they foresaw no problem from GE in transferring the license to Samsung.

Korean Air also claimed the change would disrupt its current production of the UH-60 engines.

Samsung already provides some key UH-60 engine components to Korean Air, which is part of the Hanjin business group.

The Defence Ministry explained that the measure would save almost Won10bn (£8m) by concentrating both the manufacture of engine parts and engine assembly under Samsung.

The decision comes at a critical point as South Korea's aerospace companies, which also include Hyundai Precision and Daewoo Heavy Industries, are seeking foreign technology to expand their activity into civilian aviation and achieve the government's goal of transforming South Korea into one of the world's 10 biggest aircraft manufacturers.

The Korean aerospace industry now largely consists of assembling US military aircraft under license and supplying components for foreign-built passenger jets.

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Gatt negotiators balk at US tax demands

By David Dodwell, World Trade Editor, in Geneva

The US's top tax official arrived in Geneva yesterday intent on justifying to international trade negotiators why his country wants the freedom to treat foreign services companies differently for tax purposes from local companies.

The proposal – for a US exemption from the obligation under the proposed Uruguay Round agreement on global trade liberalisation to provide "national treatment" on taxes for foreign service providers operating in the US – has provoked a storm during the final stages of negotiation in Geneva. "Trade negotiators in Geneva may not be tax experts, but they are not fools," one senior negotiator commented.

Negotiators claim the US demand, which would be illegal under the rules of the General Agreement on Tariffs and Trade if it were applied to manufactured goods, would torpedo Uruguay Round efforts to liberalise trade in financial services. This in turn would hobble plans to bring services trade within the scope of Gatt rules for the first time in the Gatt's 45-year history.

Consequently, Mr Les Samuels, assistant secretary for tax affairs in the US Treasury, will face a barrage of criticism in his Geneva meetings. This will range from claims that the US wants to have its cake and eat it, to threats withdraw offers to open up financial services markets.

"We have already gone a long way to accommodate US concerns in the draft agreement," said one negotiator. "To be told at the eleventh hour that even this is not acceptable has caused a major and violent reaction."

This has prompted Mr Peter Sutherland, Gatt's director-general, to voice concern about "certain positions which have been taken recently on financial services [which] may prove to be utterly counter-productive". He added in a formal statement: "Unless there is an urgent review of these positions, not only will the effort we have made.... to improve existing offers falter, but the important progress that we have already achieved may begin to unravel."

One senior Gatt negotiator commented: "The US has failed to show why it is unable to accept a fairly gentle discipline that everyone else is willing to accept. It seems simply to be a matter of asserting the supremacy of US tax policy." He complained that US policy appeared to have been driven by "mid-level blinkered bureaucrats, without reference up to the top".

This is unlikely to have been the case, however. Mr Lloyd Bentsen, US Treasury secretary, has faced pressure from both Senate and Congressional committees to examine tax treatment of foreign companies. Many in the US accuse foreign companies of dodging payment of US taxes by using transfer pricing policies that minimise the value added by US operations, and hence the local tax liability.

There are indications that US trade negotiators, who cede to US treasury officials in negotiations on financial services, have scant sympathy for the treasury's negotiating position on tax. They share concern that it could compromise US negotiating objectives in other areas of the wide-ranging Uruguay round package.

Gatt gladiators Peter Sutherland (above), Mickey Kantor (left) and Leon Brittan. The fight for agreement is intensifying as time runs out

Reuter/Associated Press/Tony Andrews

Sparks fly in steel clash

Issue is deadlocked, writes Frances Williams

The row over steel between the US and the European Union is expected to be one of the most contentious items addressed by Sir Leon Brittan, chief EU trade negotiator, and Mr Mickey Kantor, US trade representative, in their Washington talks which began yesterday.

The issue threatens to pose a serious obstacle to a wide-ranging package of market-opening measures for industrial goods in the Uruguay Round of global trade talks, due to end on December 15.

Negotiators from 36 leading steel producers meeting in Geneva last week failed to make progress in negotiating a multilateral steel agreement (MSA), on which a provisionally agreed zero-tariff deal for steel depends.

Zero tariffs for steel are a hefty slice of the value to the EU of the US tariff offer, without which officials say the deal would be seriously unbalanced.

The MSA talks are deadlocked over US insistence that allowable subsidies, such as those for environmental improvement, plant closure and research and development, should be actionable under domestic anti-subsidy laws. The MSA as drafted would outlaw most subsidies to the industry, alongside a 10-year phase-out of tariff and non-tariff barriers to steel trade.

The EU and others, still smarting from a string of anti-dumping and countervailing duty suits on their exports brought by the US steel industry last year (most of them later rejected), want strong MSA provisions to prevent further harassment and immediate agreement to lift duties.

Both sides have made limited gestures of flexibility but a sticking point has been Washington's refusal to deny its steel industry the right to petition the government for action.

A senior US official said a new working draft would be presented to the next MSA meeting in December, but expressed little optimism.

Boost for UN drive to cut costs of trade

By Frances Williams in Geneva

World trade could receive a sharp "boost" from a UN symposium on trade efficiency to be held in the US next October, the UN Conference on Trade and Development (Unctad) said yesterday.

The symposium will focus on the use of technology to encourage more companies, especially smaller ones, to enter international trade, and to cut the costs and paperwork involved in overseas transactions. These costs, currently estimated at around $300bn (£200bn) a year in global terms, could be cut by $75bn or 25 per cent within 10 years by simpler procedures and more electronic or "paperless" trading, according to Unctad.

The centre-piece of the symposium will be the rapid development of trade points, centres which bring all the services needed by exporters under one roof. Over 80 rich and poor countries now have or are planning trade points, which cost anything from $30,000 to $1m to set up.

The centres bring together in one place government departments, customs authorities, chambers of commerce, banks, insurers, freight forwarders and other agents in trade transactions. Companies have access to computerised information on markets, potential clients, tariffs and trade rules and, from next year, to an electronic network linking trade points worldwide.

Delegates from about 70 countries met in Geneva last week to make plans for the trade efficiency symposium, which will be held in Columbus, Ohio. The trade point in Columbus, inaugurated last month, is a "virtual" trade point linking users and service providers electronically.

Ms Elizabeth Shelton, who chaired last week's meeting, said yesterday that trade points had already proved their worth. In Algeria, the number of players in international trade had expanded from 20 to 2,500. Mr Torbjörn Blomfeldt, secretary general of Finpro (Finnish Committee on International Trade Procedures), said last week that a typical trade transaction involved 27 different parties, 50 original documents and 360 document copies. "The procedures are so complicated smaller companies are hesitant to enter international trade", he said.

Foreign investment projects in Hungary top $3bn

By Frances Williams

The value of foreign investment projects in Hungary topped $3bn (£2bn) by the middle of this year, and companies with foreign participation have become a dominant force in the national economy, according to the UN Economic Commission for Europe*. They now account for a fifth of all Hungarian enterprises and a sixth of total value added.

However, their overall performance has been poor, with net profits in the latest year down two-thirds from the previous year, the ECE says. This reflected generally difficult trading conditions in Hungary; Hungarian companies without foreign investment suffered an even sharper decline.

Most of the losses were in manufacturing, which accounts for 55 per cent of all overseas investment in Hungary, concentrated in the food and tobacco, textiles and clothing industries.

The biggest investors in Hungary, which remains the largest single recicpient of foreign capital in eastern and central Europe, are Germany (18.4 per cent), Austria (18 per cent) and Belgium (16 per cent). The US accounts for about 5 per cent of the total.

East-West Investment News, No.3, Autumn 1993. Available from UN Publications, Palais des Nations, CH-1211 Geneva 10, Switzerland

China's telecoms regime under pressure

Lynne Curry and Andrew Adonis on an internal challenge to an old monopoly

A struggle is under way for control of China's telecommunications industry. On its outcome depends the size and shape of potentially the world's largest telecommunications market.

The Beijing government wants to quadruple the number of telephone lines from 20m to 80m by the year 2000 – an addition equivalent to three times the existing network in the UK. China has barely one telephone line per 100 people, compared with 49 per 100 in, for example, Hong Kong.

However, a highly centralised system, together with a blanket prohibition on involvement by western network operators, makes Beijing's target unrealistic without far-reaching reforms.

Local officials – led by the mayor of Shanghai – are calling for a relaxation of current regulations amid increasing signs of support from key utility and economic development ministries.

Mr Huang Ju told leading western telecoms operators recently that he would like to arrange a "pilot" project in Shanghai under which foreign operators would invest in building and operating a new network.

Under the existing regime, the Ministry of Posts and Telecommunications (MPT) has a virtual monopoly on telecom operations. Overseas telecom equipment manufacturers have been allowed in through joint ventures, but network operation – the heart of the industry – is closed to all but MPT agents.

Executives of telecoms operators such as AT&T (which supplies equipment to the Chinese market) and Cable & Wireless (which has a majority stake in Hong Kong Telecom) dream in public almost daily about the potential of the Chinese market.

> Local officials and key ministries are seeking a relaxation

Now, the domestic battle between Beijing ministries and local leaders may before long lead to a change in policy on those and other foreign operators.

"There is a lot of pushing and pulling within the different ministries," said a western telecoms executive in Beijing. "The MPT is putting a fairly strong block against more participation by others."

The immediate issue at stake is the MPT's absolute grip on domestic operations. Three ministries (electronic industries, railways and electric power), together with the People's Bank of China, the People's Liberation Army and other Chinese enterprises are attempting to forge an alliance to create a second national telecoms network apart from that run by MPT.

Interpretations differ over whether the second network would be wholly public or use dedicated lines to link several ministries, industries and enterprises. Either way, it would break the MPT's monopoly and give a powerful stimulus to telecoms development.

The PLA is a prime mover behind the project. It already controls all China's air-wave frequencies, is the largest satellite dish manufacturer and is heavily involved in the cellular phone and paging industries.

So far, though, only one company has made inroads into the MPT's monopoly. Ji Tong, a domestic company established by the Ministry of Electronic Industry earlier this year, has obtained approval to establish pager and data communications services linking up with the telephone network.

If it gets an MPT licence, Ji Tong has ambitious plans to develop a wide range of pager, cordless phone and data services markets. "We can provide customers for the services and link into MPT's backbone network," said Ms Liang Mei, Ji Tong's senior engineer.

Ji Tong is also spearheading a project known as the "three goldens", a series of telecommunications infrastructure schemes to link various ministries and industries.

> 'The price of more communication is less political influence'

The first, called the "golden bridge", is a national electronic data network; "golden customs" is an electronic data interface for companies involved in foreign trade; and "golden banking card" is for a network similar to that provided by automatic teller machines in western countries.

Another company, Lian Tong, which is jointly owned by the Ministry of Electronic Industry, the Ministry of Railways and the Ministry of Electric Power, is believed to be engaged in discussions with MPT for a licence to start a second network.

Western diplomats believe MPT's power to thwart such schemes is waning. Indeed, the ministry is itself undergoing radical re-organisation. Over the next few years, it will be divided into two: one part to regulate the industry and determine prices for telecoms companies, the other to manufacture and operate services.

"China is facing a crossroads where the price of more accessible, affordable communication is less political influence," says a western analyst in Beijing. "But basic operation and ownership will have limits for a long time." Western companies would be unlikely to be allowed in as anything but minority joint venture partners for the foreseeable future.

Lord Young, chairman of C&W, who was present at a recent conference in New York where Shanghai's Mr Huang spoke, said there was unlikely even to be pilot projects with western operators "until the current battle is won – which could be months or far longer".

Mr Andrew Harrington, Asia-Pacific telecoms analyst with Salomon Brothers in Hong Kong, said Mr Huang's view underlined the "unsustainability" of existing policy. "It could spell the end of the MPT monopoly, and open very significant opportunities for overseas telecom companies within a relatively short time scale."

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Further wrangling over Ulster peace moves

By David Owen

Peace in Northern Ireland can only come through a political settlement, Sir Patrick Mayhew, the Northern Ireland secretary, warned yesterday, as wrangling between London and Dublin over the pace of the peace process continued.

Speculation that the planned Anglo-Irish summit might be put back from the December 3 date favoured by Dublin mounted after Downing Street gave its clearest hint yet that more time to decide the framework for a settlement may be needed.

Officials sought to lower expectations of what was likely to be achieved at the Dublin meeting and said much work on any draft communiqué was still to be done.

Sources close to the Dublin cabinet say they are aware of reports of a delay coming from London, but are at a loss to understand why there should be a hold-up.

Detailed British proposals for a new accord to replace the 1985 Anglo-Irish agreement fall far short of Dublin's call for a significant element of joint responsibility in the administration of the province, while recognising Dublin's aspirations to a united Ireland.

In London, Lord Tebbit, the former Conservative cabinet minister, sought to pour more cold water on the Major-Reynolds initiative's prospects of success, telling an audience of Tory right-wingers that the IRA would only lay down its arms for a deal that undermined "the union of Ulster within the United Kingdom."

"So unless there is a willingness somewhere within government to undermine that union . . I find it difficult to understand why those in authority speak of the prospects for peace," Lord Tebbit said.

He said the Irish government would not be satisfied with anything that did not "advance the cause of the alternative union – that of a united Ireland.

In Belfast, Sir Patrick denied that differences between London and Dublin were widening, saying he resisted "this idea that the governments are separating in their positions."

The people of Northern Ireland were not looking for "peace at any price," he said. "They are longing for an end of violence and they are longing for a political settlement that will enable people in this divided community to live more tranquilly together."

His remarks came a day after Mr Albert Reynolds, the Irish prime minister, had stressed the possibility of achieving peace before a political settlement in a television interview.

Farmers face uphill struggle to keep going

Deborah Hargreaves on how the Budget might threaten the future of a traditional Welsh livelihood

The wind is bitter at the top of Mynydd Caerau where Mr Richard Howells is herding sheep for market although, unusually in a valley which gets 90 inches of rain a year, the sun is shining. Mr Howells is at the sharp end of farming – trying to make a traditional living on the steep, shale-strewn slopes of the Welsh mountains.

In next week's Budget, he faces cuts in the government support which helps to keep three generations of his family tending 2,500 sheep and 50 cows on the hills above Port Talbot. About half of Mr Howells' income comes out of taxpayers' pockets in one form or another – the most part from Brussels, and the rest from the UK government in the form of the Hill Livestock Compensatory Allowance. It is this second part that farmers fear will be cut when Mrs Gillian Shephard, the agriculture minister, makes a scheduled statement on Budget day.

Mrs Shephard argues that hill farmers like Mr Howells have seen large increases of up to 40 per cent in their income over the past year following rises in Brussels payments and the devaluation of sterling. But Mr Howells says he makes little more than the Welsh farmer's average of £7,000 a year out of his 1,800-acre farm, although he does manage to employ his son and one other full-time worker as well as his 80-year-old father. The National Farmers' Union reckons that hill farmers overall are just back to the real income levels of 1988.

"It seems that just as you manage to make a step forward, you are cut back. I've been investing in the farm for the first time in several years by putting lime on the fields, which I should do every year, and I won't be able to afford to do that if the support is cut," says Mr Howells. His wife has been working as a temporary secretary outside the farm for the past year in order to supplement their income.

The government has little discretion over its £2.4bn agricultural spending as most of it is dictated by the European Union. But the Treasury has set its sights on the £130m earmarked for support to 50,000 farmers in upland areas. The livestock allowance was cut by over £2 per sheep last year to £6.50 per ewe. But it can still make the difference between profit and loss for many hill farmers.

Ashley Ashwood

Another 14-hour day begins for Richard Howells on his hill farm near Port Talbot in Wales. He is facing a cut in government support

Farm groups warn that cuts in income support are turning people away from the land, particularly in the poor upland areas where there are no other jobs. "We're talking about the confidence to remain on the land in these poorer areas," stresses Mr Tim Bennett, a North Wales hill farmer who represents producers in less favoured areas at the NFU. "The average age of the hill farmer is over 50 and the government is showing it has no long-term commitment to these communities."

A study by the University of Wales at Aberystwyth shows that around 250 jobs in rural supply industries are dependent on every 100 farm workers. The same study estimates that for every £10,000 generated on a hill sheep farm, a further £20,000 is earned in the local economy.

In addition, the NFU points to the benefits of attracting tourists to upland areas such as the Lake District where, it estimates, they spent £470m in 1991.

Tourists come to see traditional landscapes including dry stone walls and picturesque farmhouses, and will not like to see these run down. "Once these areas have been abandoned, it costs a hell of a lot more to try and restore them," says Mr Bennett.

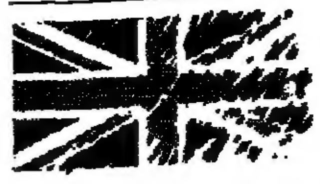
Hill farmers stress they make a valuable contribution to UK agriculture as a whole, providing over 60 per cent of strong breeding stock which is sold to more profitable lowland farms. "I regard the subsidy to these areas as an investment," says Mr Howells.

His income does not look like going up much this year, since increases in Brussels payments and a slight rise in cattle prices have been offset by a drop of around £5 per sheep in lamb sales and a collapse in wool prices. It costs Mr Howells about £1,500 to pay for shearing his sheep and this year he was paid £174 for the wool. Last year, he got £2,000.

Hill farming is not an enviable way of life. Mr Howells' day of hard manual labour often starts at 5am and ends 14 hours later, in temperatures that are never very high.

He would like to be free of government support, but is pragmatic enough to realise he never will be. Still, he says: "I was born here. I think most farmers will stay as long as it's possible."

Britain in brief



Government responds to Princes' plea

The government acted quickly yesterday over complaints from the Prince of Wales about lack of of official support for royal visits which could win business for Britain.

Officials said ministers had been taken by surprise by the prince's comments, which were made to the FT during his recent official tour of the Middle East.

Mr John Major, the Prime Minister, was said to be "keen" to do everything possible to assist the prince. "If it is put to us that there are problems, we will investigate them," Downing Street said.

Officials said Mr Richard Needham, the trade minister, will meet Prince Charles soon to discuss how he can help in promoting exports.

Warning over Bosnia talks

Britain has warned the Serbs that they risked air strikes and a withdrawal of humanitarian aid unless they were prepared to make territorial concessions to the Muslims in Bosnia.

Baroness Chalker, foreign office minister, told the House of Lords: "If there is no breakthrough in the discussions in Geneva next Monday and the lack of cooperation persists, parties must understand that the humanitarian commitment from the world at large will not continue indefinitely.

Luxembourg ruling on coal

Private opencast coal miners believe they could win more than £200m in damages following a recommendation to the European Court of Justice over a dispute with British Coal over royalties and prices.

The court's advocate general has in a written opinion encouraged the independent companies that they have a strong case in arguing that British Coal' royalties and charging regime may be distorting competition.

Nissan supplier cuts workforce

Ikeda Hoover, the supplier of car seats to Nissan's £900m Sunderland plant, is to make redundant some of its 492 Wearside employees.

The job cuts, discussed yesterday between Ikeda Hoover management and the company council, the workforce negotiating body, are in response to Nissan's decision to halve production from Sunderland until March because of the downturn in new car sales in continental Europe.

Rover in BMW engine talks

Rover is negotiating with BMW for the supply of diesel engines for use in its new Range Rover luxury four-wheel-drive vehicle, due to be launched in late 1994.

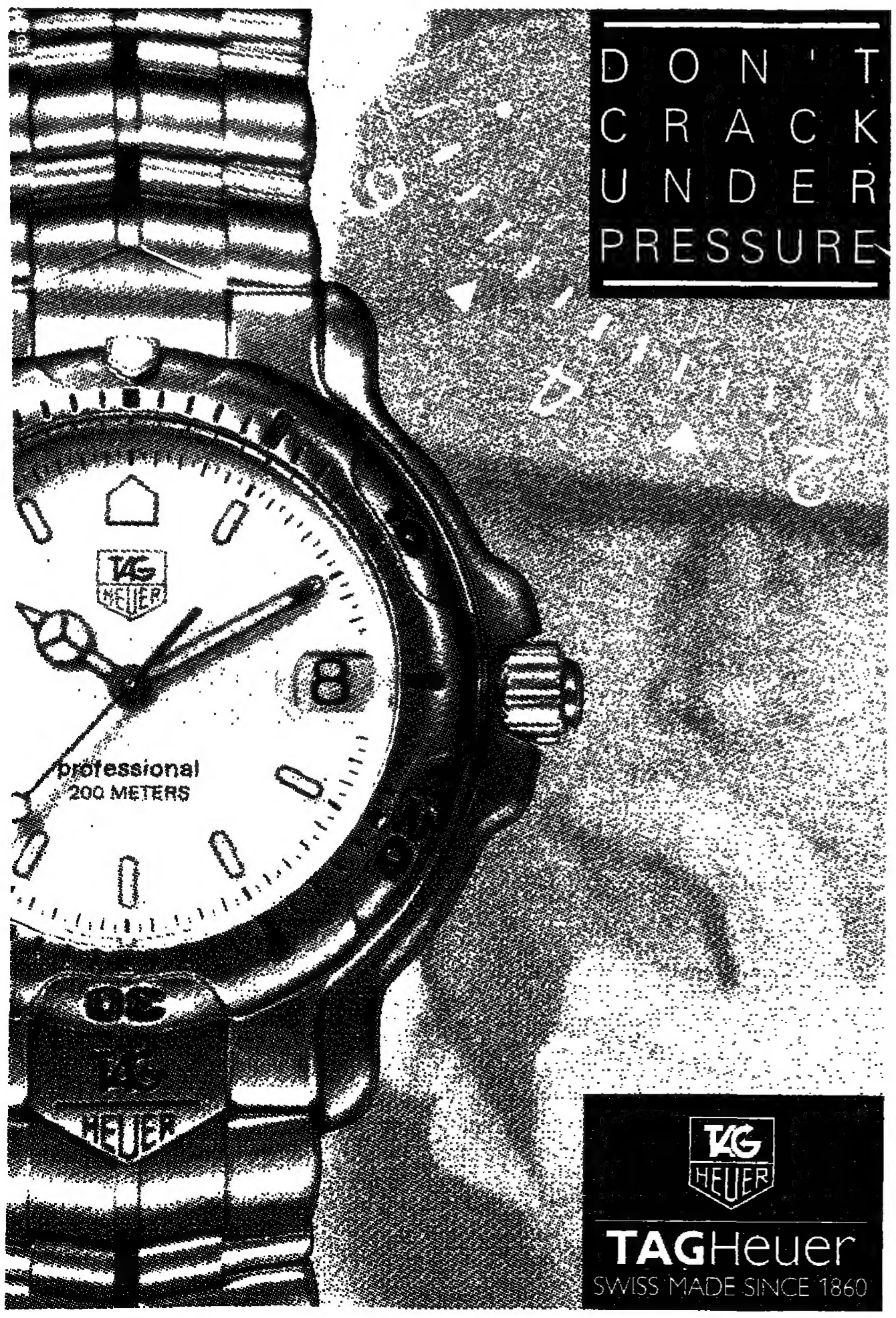
BMW said last night that a group of Rover engineers visited its Munich headquarters last week to discuss the deal.

BMW is understood to be in talks with GM Europe to supply the diesel engine for use in GM's new generation Opel/Vauxhall Omega executive car. Rover uses its own 2.5 litre direct injection diesel engine in its Land Rover Discovery, Range Rover and Defender vehicles.

Regions to get £15m EU aid

British regions hit by the run-down in defence industries are to receive £15.5m in European Union aid, providing the money is committed before the end of the year. The aid will be matched by £16m funds from central, local government or private sector funds.

The EC money has come from both the European Regional Development Fund (ERDF) and the European Social Fund (ESF), the main structural funds applying to the UK. The Department of Trade and Industry which is handling the aid, said that it has received over 250 project applications throughout the British regions.



Plea for rail franchises to last 50 years

By Charles Batchelor
Transport Correspondent

Franchises to run parts of British Rail should run for at least 50 years rather than the expected maximum of 15 years, Mr James Sherwood, chief executive of Sea Containers, the shipping company, said yesterday.

The government should also repackage franchises to give each a mix of profitable and unprofitable routes which together could be operated without subsidy but also without controls on prices, he told an FT conference: The Economics of Rail Privatisation.

Sea Containers operates the Orient Express, which runs on British Rail routes, and is considering bidding for British Rail routes to the south west of London.

Fifty-year franchises would allow operators to make a good return on rolling stock which has a life of 30 years, Mr Sherwood said. In turn the director of franchising, responsible for monitoring franchises, should be able to terminate contracts early if the operator did not meet the required standards.

The privatisation of British Rail is likely to lead to the closure of provincial services which could be better provided by buses, he added.

He also forecast the demise of the British Transport police force, whose work could be taken over by cheaper private sector security guards.

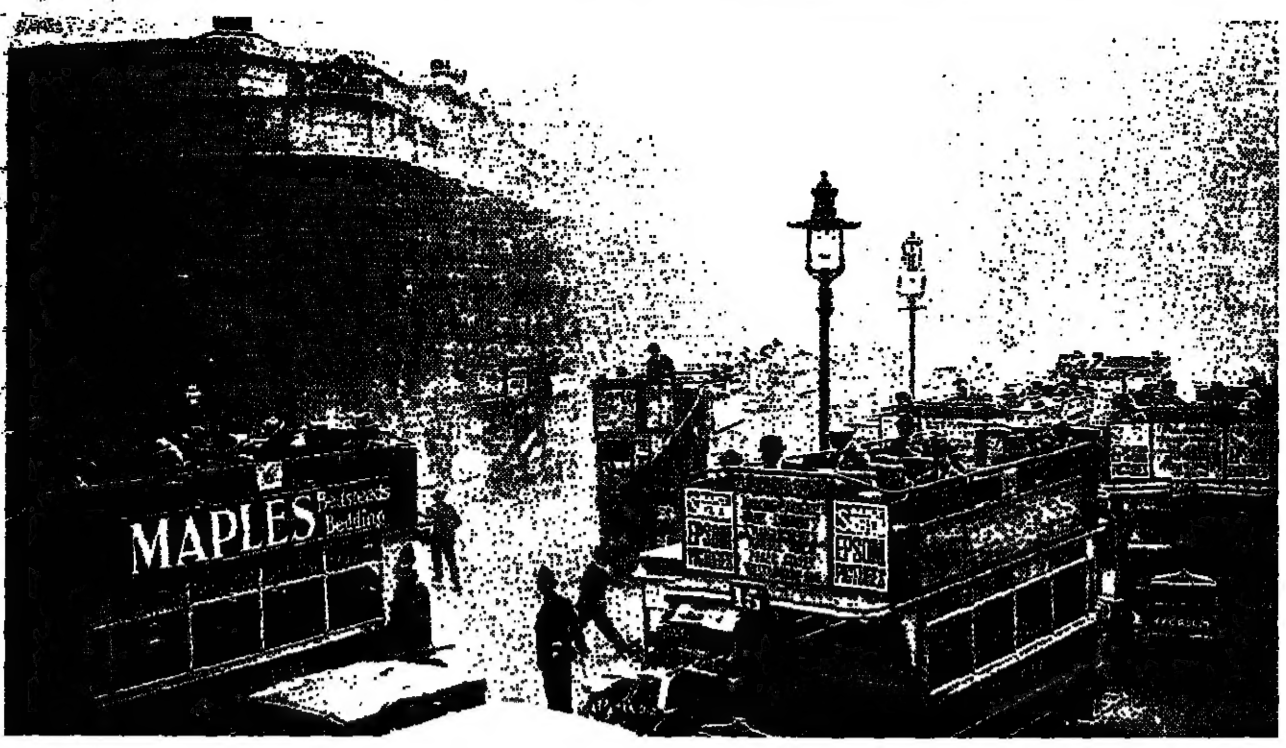
Mr Sherwood called for the government not to allow competition between different operators on the same route though this is at present to be permitted. "There is already enough competition for rail from road and air. We don't need any more," he said.

Mr Sherwood said he was concerned that the government had under estimated how much capital would be required to maintain a rail network. "If rail staff come with £100 of capital each in a buy-out we will have a deteriorating system. Big companies must come in and invest billions of pounds to improve it."

A call for companies operating train services to be also allowed to own and operate the track came from Mr James Stoetzel, a consultant and former director of Burlington Northern Railroad of the US. At present track will be owned and run by Railtrack.

"There has to be a broad span of control when dealing with high-volume services and the operators must set the investment agenda," he said. Management of the track, trains and signalling needed to be integrated.

Mr Roger Salmon, franchising director, said it would be possible for franchisees to make "non compliant" bids which did not fit exactly the criteria set. But significant change could cause legal difficulties and could distort fair competition.



Hulton Deutsch Collection
Outside the Bank of England, June 1822. Average traffic speeds in the space-age are still only 13mph in central London

Londoners asked for 'suggestions'

By John Authers

Mr John Gummer, the UK environment secretary, yesterday launched what he said would be the biggest-ever public consultation on the way that London should be administered.

Copies of the document, entitled "London – Making the Best Better", have been distributed at news-stalls throughout the city, with pre-addressed and pre-paid envelopes.

Positive proposals for reform will then be forwarded to London Pride, an organisation which has been set up to encourage partnerships between the public and private sectors in the capital.

Londoners are asked to give their responses on what they appreciate most about the capital, and given a list of choices which includes art galleries, local history, and the London Underground.

Further questions in the 22-theme package ask about the priorities for reform, including transport, which the government claims has been the recipient of billions of pounds of new investment.

However, the topic of London's governance is not included, despite widespread calls for the return of a London-wide council like the old Greater London Council, or the introduction of American-style directly elected mayors.

No commitment to provide extra funds for London has been made, except a donation of £63,000 by the environment department towards the eost of planning the London Thames Festival, which is supposed to take place in 1995.

Worldwide recession 'not to blame' say companies

By Tony Jackson

UK companies blame their recent difficulties on the domestic economy rather than on the worldwide recession or high exchange rates, a survey claims. The chief failings in the UK economy are cited as low consumer confidence and high interest rates.

The findings are at odds with the claims of politicians, the survey suggests. "Although the prime minister and the former chancellor have repeatedly blamed Britain's woes on the worldwide recession, the results . . suggest that the view from the front was focused primarily on its domestic origins."

The survey, by the National Institute of Economic and Social Research and the London Business School, questioned over 600 UK firms, mostly larger manufacturing companies, in the spring of this year. More than half said they had been severely affected by the recession. Almost half expected it to last for at least another year.

The firms surveyed largely blamed their problems on economic factors rather than their own actions. However, a significant minority blamed the late 1980s merger boom and their own excessive expansion.

The report says the findings offer little comfort to those who believe recessions make industry leaner and fitter. "There has been a major retardation in the rate of investment in plant and equipment . . and there has been widespread disruption to normal methods of labour force organisation", it says. "It is hard to believe that there is not a more straightforward way to encourage innovation or reduce inefficiency."

BCCI legal actions in jeopardy

By Andrew Jack

Legal actions and pay-outs to creditors in the collapsed Bank of Credit and Commerce International could be jeopardised in squabbles over access to essential documents following a ruling against the liquidators' plans late last month.

Most of the background papers vital to the legal actions brought by the liquidators at accountants Touche Ross against BCCI's auditors and the Bank of England are held by the government of Abu Dhabi, the majority shareholder in the bank.

The surprise ruling from the Luxembourg appeals court on October 27 has now threatened to put new obstacles in the way of access to these documents by the liquidators.

A translation of the full text of the hearing, which was circulated late last week, accused Abu Dhabi of breaking Luxembourg law by refusing to hand over documents to the liquidators.

Until now, Touche Ross has had relatively free access to the papers, most of which have been held under strict security conditions in Abu Dhabi.

BCCI's Treasury operations – and related papers – were moved from London to Abu Dhabi in 1987.

One senior professional involved in the case said yesterday: "There is a grave danger that the shutters will go up all round. Everybody has got themselves into an almighty wrangle."

Best-ever October for Unit Trusts

By Scheherazade Daneshkhu

The unit trust industry had its best-ever October on record last month, with net sales of unit trusts reaching £845.9m, up from £668.6m in September and dramatically higher than the £37m in net sales achieved in October 1992.

Unit trusts have had a record year with October's figure taking the net sale of unit trusts for the year to £7.8bn, which is higher than the £6.3bn taken in during 1987, the previous record for a calendar year.

The 27-per cent increase in net sales over the month was largely due to strong retail demand, according to the Association of Unit Trusts and Investment Funds, which produced the figures.

Retail interest in unit trusts has been sustained by the relatively low level of interest rates and further net sales of unit trusts are likely if Mr Kenneth Clarke, the chancellor, cuts base rates further.

A number of new fund launches in the international growth sector in October made these the best-selling funds to retail investors.

The second most popular funds, and the most popular in the year to date, were UK balanced funds which offer a mixture of bonds and equities. The least popular continued to be Japan funds. The highest net inflow from institutions was into UK Smaller Companies funds. The highest net outflow amongst institutions was from European and Japanese funds.

BSI flies in the face of kitemark

By Andrew Adonis

The British Standards Institution appears to have been caught in that embarrassing situation: do as we say, not as we do.

The BSI, which co-ordinates the writing of standards for UK industry, is being threatened with legal action for failing to employ subcontractors with the BS (British Standard) 5750 'kitemark' for the painting of its new London headquarters.

S. Lucas, one of two spray and painting contractors in the London area with BS 5750 accreditation, claims neither was even invited to tender for the contract, worth more than £100,000.

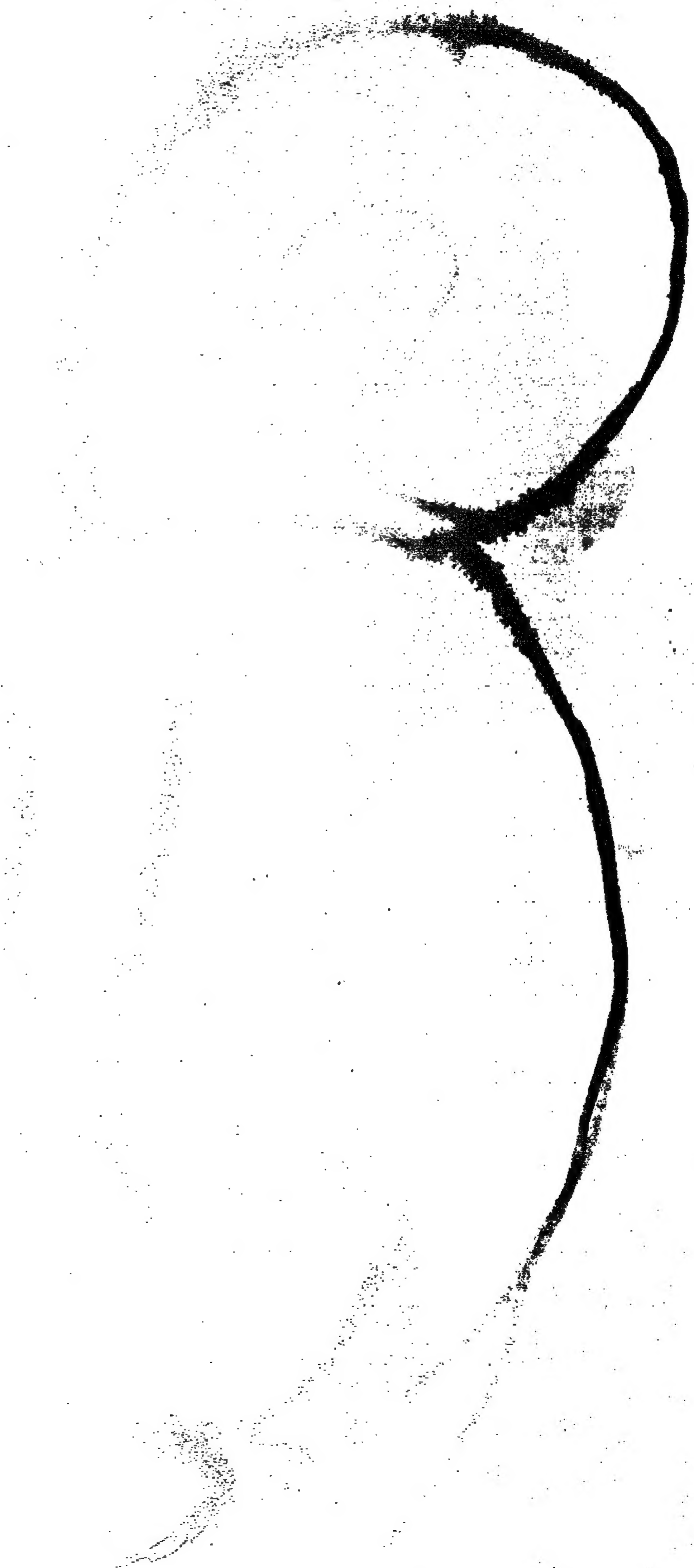
The controversy is of little significance compared to that raging between BSI and its members over the institution's ambitions to increase its powers and the fees of its directors. BSI lost its chief executive earlier this year and faces a government review of its activities.

However, the refurbishment of an undistinguished former IBM office block in Chiswick, west London, could land BSI in the courts.

Under its royal charter, the BSI has a duty to "prepare and promote the general adoption of British standards"; S. Lucas is threatening to seek judicial review of BSI's "outrageous" behaviour unless a satisfactory explanation is forthcoming.

BSI said yesterday that 75 per cent of the subcontractors engaged in the refurbishment were BS 5750 accredited. Mr Ram Mylvaganam, BSI marketing director, said: "since only one per cent of UK companies have BS 5750 we can be accused of being too favourable to accredited companies, not the opposite."

John Laing, the main contractor for the renovation, said it had "endeavoured" to use BSI-accredited companies, and "believed that BSI was aware" that it was not doing so for the painting.



Thank you Procordia
Thank you Kabi Pharmacia
Thank you Farmitalia Carlo Erba

Why Procordia is changing its name to Pharmacia

When Pharmacia came into the world a few days ago, it replaced Procordia on the Stockholm stock exchange.

What happened? Frankly, all the pharmaceutical and biotech products were appropriately gathered under the new Pharmacia banner while the food products became a subsidiary of Volvo.

Why?

Surely, by all the accepted rules, it makes sense to concentrate on one area of specialization. For a start, it enables us to focus all our efforts on developing a new kind of pharmaceutical company for the next century.

Procordia, as they say, is no more.

And yet, Pharmacia is already among Europe's top 10 and the world's 20 largest pharmaceuticals. For that, we'd like to thank our parents in Sweden, Italy and worldwide.

To life.

To life

Pharmacia

"To life" means that we constantly innovate high quality therapies. For society, it means better and more cost-effective health care. For you, it means a healthier life.

Limits set on competition rules

EUROPEAN COURT

The European Court of Justice last week gave three important *rulings which* limit the application of Rome Treaty competition rules in the context of national laws restricting competition.

Two cases concerned national rules *prohibiting the use of* rebates and other discounts or means of promotion by insurers and insurance intermediaries, in particular in the form of passing on insurance agents' commissions. The third concerned government price fixing for road transport.

The Court said it was well established that member countries were precluded by the Treaty from *adopting or maintaining measures* capable of eliminating the useful effect of the competition *rules.*

It confirmed that this would be infringed if a member country required *or encouraged* the conclusion of agreements restricting competition, reinforced the effects of such agreements, or removed the state character of any regulation by delegating enforcement to private parties.

But the Court said the rule would not be infringed in the absence of any connection between the national regulation *and any business behaviour other*wise caught by the cartel prohibition.

The issues arose in criminal proceedings before a Dutch court and two German courts.

In the Dutch case the Dutch insurer Ohra was prosecuted for breach of a national insurance intermediaries' regulation prohibiting insurance companies from granting commissions, rebates and other benefits in kind to anyone other than an intermediary. *Ohra had advertised* and granted to their insureds various financial benefits, including the waiving of insurance contract fees and free or reduced price credit cards.

The ECJ ruled the Dutch law neither required nor encouraged the conclusion of an unlawful agreement by insurance intermediaries. Nor did it reinforce any existing agreement since no agreement existed in the civil liability, sickness, pension and life insurance classes covered by Ohra. Since the regulation itself contained the prohibition, enforcement could not be said to be delegated to private parties.

In the German insurance case a fine had been imposed on a Mr Meng, an intermediary who infringed German law by passing on to his clients commission paid to him by insurers. The ECJ gave the same interpretative ruling as in the Ohra case.

In the second German case, dealing with road transport rate fixing, the ECJ upheld the German system of rate fixing as a purely national regulation outside the scope of European competition rules. The Court said although the rates decided by the public authority were recommended by industry representatives, those representatives acted as independent experts acting on considerations of the public interest neither as parties to an agreement nor in *place of the state.*

In spite of detailed arguments put before the Court by the European Commission and by *all 12* member states, the ECJ left undecided a number of issues.

One concerned the reasons for its narrow interpretation of previous case law on member country obligations in the context of European competition law given its approach to regulation of the public sector and businesses granted special rights.

Cases C-2/91, Meng; C-185/91, Reiff; and C-245/91, Ohra. ECJ FC, 17 November 1993.

Vat on advertising services

The ECJ has clarified the VAT rules applicable to advertising services in three cases brought successfully by the Commission against France, Spain and Luxembourg. The Court ruled the exception enjoyed by advertising to the general rule that services should be taxed in the country where the provider of services was based applied to all forms of promotional activities connected with advertising. Thus all such promotional activities should be taxed in the country of the recipient of the service.

Cases C-68/92, C-69/92 and C-73/92, Commission v France, Luxembourg and Spain. ECJ FC, 17 November 1993.

BRICK COURT CHAMBERS, BRUSSELS.

Japan's airlines broke ranks last November to become the first in the world to lift the ceiling on compensation paid to the victims of international air disasters. Ten Japanese airlines *led by Japan Air Lines abandoned* the compensation cap of $140,000 for each passenger which they had adopted under the 1929 Warsaw Convention.

The JAL initiative followed 21 years of failed industry attempts to raise compensation limits governed *by the convention and the 1966* Montreal Agreement, which sets a limit of $75,000 for each passenger for flights to and from the US. Warsaw Convention limits range from $10,000 to nearly $140,000 and are seen as too low and an embarrassment to most airlines and their *insurers in the event of a crash.*

Although JAL seemed under pressure to break the ceiling for international flights after lifting the ceiling for domestic flights in 1982, and having paid out average settlements believed to be in the region of $850,000 a passenger to the victims of the 1985 JAL Boeing 747 crash, it was widely thought the Japanese decision would force other big airlines to follow suit.

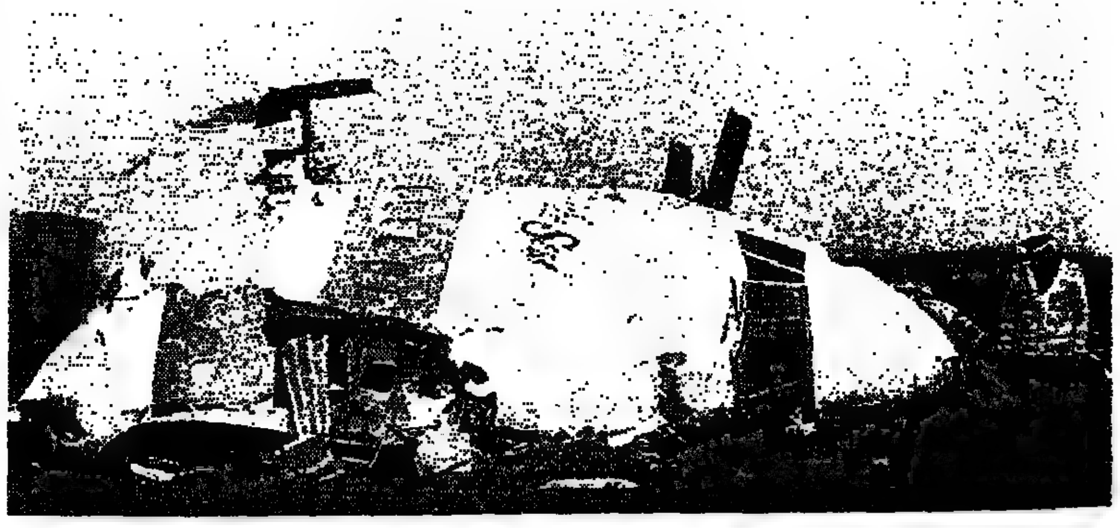
Aviation industry observers predicted public pressure would force *other airlines to act. A year later,* however, no airline has followed the Japanese initiative.

According to Mr Peter Martin, aviation lawyer with London solicitors Frere Cholmeley Bischoff who pioneered the revised conditions of carriage for JAL, the main excuse offered by the airlines for sheltering behind the anachronistic Warsaw and Montreal compensation limits is that the insurance costs of removing or raising the compensation ceiling would be prohibitive.

He says airlines are reluctant to go to the insurance market for quotations as they fear they can't *afford it. But in fact airlines ought* to be able to obtain cover from the market at a reasonable price.

First, with an average of 1,000 deaths a year from aviation accidents against 300m passengers carried, the risk is very small. Second, insurance represents about 1 per *cent of fixed costs split 50/50 on hull* insurance and liability cover. So the increased cost of raising the limits *as a percentage of operating costs is* likely to be very small.

However, he accepts that the airlines' reluctance to approach the market must be seen in the context of generally increased premiums as insurers take advantage of a rising market. According to Willis Corroon Aerospace, a leading buyer of airline insurance, many airlines which renewed their policies on October 1 paid steep increases. On average, international airlines are facing increases of about 60 per cent in the cost of insurance cover.



Grim example: five years after the Pan Am disaster at Lockerbie the issue of compensation is still unresolved

Airlines opt to fly on a wing and a prayer

Compensation leaves travellers cold, writes **Robert Rice**

Airlines have also held back from *unilateral action to raise or remove* limits pending the outcome of several European and airline trade association initiatives.

In February, the European Commission indicated that it was interested in promoting a special contract for European airlines which would raise limits to Ecu 300,000 or Ecu 500,000. Again, airlines are concerned about the insurance costs.

The European Civil Aviation Conference undertook its own study and recommended an increase in *the limits from Ecu 100,000 to Ecu* 250,000 to take account of inflation over 22 years. Insurance costs are said to be the stumbling block.

The International Air Transport Association has advised its airline members that before they can begin discussions about bilateral or multilateral *special* contracts to bypass compensation limits, anti-trust immunity is required from the US competition authorities.

Official IATA policy is that MAP3, the third Protocol to the Montreal Agreement, should be brought into force. MAP3 would raise the Montreal limit from $75,000 to $130,000 and allow its sovereign signatories to set up 'supplemental compensation plans' (SCPs). This would give rise to a two-tier system: airlines would be responsible for the first $130,000 for each passenger; and the SCP would provide compensation above that amount for which passengers would pay an enforced levy.

The practical view, however, is *that MAP3 is a dead letter.* MAP3 cannot come into force until it has been ratified by at least 30 states, which is regarded as unlikely unless the US supports the move. Washington's position on compensation is unclear, but it is generally accepted within the industry that the US will not now ratify MAP3.

There is some support for the Japanese initiative in the US but airlines emphasise they cannot discuss the possibility of raising or removing the ceiling on compensation *without anti-trust immunity,* which is not available.

All these delays in acting to change the outdated limits mean that if there is a big air disaster it will be followed by protracted litigation and by settlement delays.

The 1988 Pan Am disaster at Lockerbie provides a good example, Mr Martin says. Five years after the disaster the issue of compensation is still unresolved. The New York Second Circuit Court of Appeals has not yet ruled on Pan Am's appeal against a finding that it was guilty of "wilful misconduct"; if found guilty compensation could be paid exceeding the Montreal limits.

The industry is lucky that there have been no big air accidents this year, he says, but statistically one is overdue.

The beauty of the Japanese scheme is that it ought to significantly cut the delay in obtaining compensation by removing the need to litigate in most cases. Victims and their families will be able to negotiate settlements directly with airlines which will take responsibility for recovering money from aircraft and engine manufacturers.

Mr Martin says it is astonishing that airlines do not act individually or collectively. It is inconceivable that US anti-trust authorities would take action against airlines discussing measures to benefit the travelling public. And he insists insurance must be available on the world market at a reasonable price.

*Perhaps the biggest disappoint*ment of the past 12 months is that the Japanese initiative appears to have left the travelling public cold.

In theory, the absence of any limit on liability or higher limits ought to have a big impact on consumer choice and could offer airlines that adopt it a competitive advantage. The problem is that airlines cannot easily advertise the concept that in the event of a death, some airlines will pay more compensation than their competitors.

Surveys of the factors influencing choice of airline among business travellers show that the public is more interested in efficiency – convenient scheduling, punctuality, and speed of check-in – than with security, liability, and insurance. Until that changes, world-class airlines will be free to hide behind compensation limits not available to other industries of comparable size and profitability.

LEGAL BRIEFS

Green log book for land use histories

The UK government's decision in March to abandon plans to set up registers of contaminated land has left property owners, occupiers, investors and financial institutions with a problem. When they come to sell, let or mortgage their land, increasingly these days they will be asked, or will be asking, detailed questions about past uses and possible or actual contamination. The registers would have provided a source for some of this information. Now it will have to be sought elsewhere.

Physical surveys of the land can be carried out to establish if it is contaminated, but without a history of a site it will be all too easy for even the most comprehensive survey to choose the wrong location from which to take samples and to test for the wrong contaminants.

To counteract these problems, City solicitors Norton Rose have devised and developed a "green log book" (akin to a service history of a second-hand car), which will allow land owners and occupiers to create land use histories and to keep an up-to-date record of present use. The log book would not only cover contamination of the ground but also uses of the land which pollute air or water and which as a result could have polluted adjoining land.

With more environmental legislation in the pipeline and the costs to industry of clean-up soaring, Norton Rose predict a green log book will become an essential record for owners and occupiers, whether or not their uses of the land involve contaminative processes. The firm says responsible businesses could make the log book available to regulatory bodies as evidence of compliance with environmental legislation and monitoring procedures. It would also demonstrate a commitment to best practice.

NB POWER

to proceed.
In the Ukraine, unable and

Electricité de France, told the

Project control by disc

Britain and other donors and lenders lose large sums on overseas projects because no one can check paper and computer records to see if contracts were awarded to best effect.

Linesman, in Nottingham, England, has spent four years developing a way to change that, while getting projects completed more quickly and efficiently.

The company supplies software for personal computers which can help control projects, from the initial ordering to the hand-over of equipment to users, with maintenance information on disc. The software pulls together the common equipment required for different sites, making it feasible to place larger orders with manufacturers, instead of smaller ones with many different suppliers.

Under the system, bidders for contracts make their offers on disc. The buyer, or whoever is financing the deal, can easily scan the offers; if a competent supplier bid the lowest but did not get the job, this becomes plain. The software also helps plan how best to collect equipment for shipping – not to a warehouse but to the sites where it will be used. Tecquipment, a UK company, is using Linesman software to equip 120 laboratories in 33 Turkish universities with more than 55,000 pieces of equipment of 3,500 different kinds.

The software is also being used on a USAID-funded scheme for equipping seven agricultural schools in Egypt and on World Bank-funded schemes in Hungary and Kazakhstan.

Kevin Whitt, Linesman's managing director, spotted the need for the company's system while selling educational equipment in the Middle East. He realised this was often delivered without the appropriate information and saw the importance of reforming the whole procurement process.

He formed Linesman after winning a competition for a procurement system for Hong Kong's University of Science and Technology.

David Spark

Radio networks are slowly becoming accepted and may revolutionise communications, writes **Della Bradshaw**

Pilots of the airwaves

Pocket telephones ring in railway carriages, pagers beep in the middle of conferences, fax machines even spew out messages in the boot of a car. Radio communications, it would seem, are everywhere.

So it was with disappointment that critics greeted the August launch of Apple Computer's Newton, a personal digital assistant, or PDA for short. It soon became apparent that the book-sized message pad could only send brief messages and only then to another Newton located nearby using low-powered, infra-red beams.

The problem for Apple was not that there were too few methods of communication, but too many. "Imagine you were on the Newton development team. What communications would you have put in?" asks Larry Taylor, manager of the Advanced Technology Group at Apple's European research and development centre. "In Utopia, there would just be one means of communicating which would meet everyone's needs. Unfortunately it's not like that."

In Europe alone, Taylor points out, there are at least four digital radio systems beginning operation. In the US and Japan, further new services proliferate.

A further hitch has been the size of the plug-in equipment needed to bring communications – bigger than the PDA itself. However, the PCMCIA card, an electronic board about the size of a credit card, should soon enable the Newton to communicate over mobile telephone networks or even PC networks, using the latest radio local area networks (Lans).

PCMCIA cards, which conform to standards devised by the Personal Computer Memory Card International Association, are already widely used in electronic diaries and organisers for delivering stored information. Now, says Jim Derbyshire, director and founder of Cambridge-based Symbionics, the radio communications development specialists, they have become the enabling factor for PDAs. "The emergence of that *de facto* standard opens up the ability for radio communications."

Taylor acknowledges the appeal of such a system. "With half a dozen PCMCIA cards you could cover just about everything."

Companies such as AT&T/NCR and Olivetti, which manufacture radio-based Lans to link PCs by radio rather than wire, believe PCMCIA cards will be on sale by the middle of next year. They are looking to PDAs and notebook PCs to elevate radio Lans from their present Cinderella role into mainstream computing.

"Personally, I think we will see them becoming widespread as the decade moves on," says Andrew Bud, division manager of wireless systems at Olivetti.

Even when PCMCIA cards are available, there will still be the problem of whether enough applications are available to ensure consumers and businesses want to buy the PCMCIA cards, says Bud.

Taylor agrees that it is a "chicken and egg" situation, but believes a third factor has to be in place – the infrastructure. "Newton falls squarely into the infrastructure black hole."

Today's widespread cellular radio systems are analogue, not the digital systems needed for the easy transmission of data. The coverage offered by the pan-European digital telephone service GSM is patchy and its UK derivative, PCN – the Mercury One-to-One service – is still novel.

Although radio Lans have been mooted for several years, problems defining the standards and the lack of allocated radio spectrum has meant they are also in their infancy. "Getting into market was actually the hardest thing," says Bud.

Other factors have hampered the acceptance of radio Lans, not least the recession, says Adrian Ridley-Jones, senior consultant at Logica.

"Organisations have already identified the structures needed and have Lans in place. Existing Lans have to be phased out before organisations will look at radio Lans in earnest."

There are obvious advantages to having a radio network rather than a wired one in the office. PCs can easily be moved from desk to desk without the need for re-wiring. Anyone with a PDA or notebook PC who has official access to the network can retrieve data or print documents from anywhere in the building – in a meeting, for example.

'In Utopia, there would be one means of communicating. Unfortunately it's not like that'

"My best friends are rats, asbestos and bureaucrats," says Bud. Rats gnaw through cables, walls filled with asbestos cannot have holes drilled in them and bureaucrats list buildings, so preventing cabling from being installed. A fourth growth area for radio Lans, he believes, will be "architecturally-challenged buildings" – anything with solid concrete pillars and little space for ducting.

Where radio Lans have been installed to date, it has been to extend corporate wired networks, says Justin van der Lande, marketing manager at AT&T/NCR for Wavelan, its radio Lan. However, he concedes, "there hasn't been a dramatic take-up of product".

A further factor slowing down sales has been the confusion over the different systems and the frequencies in which they operate. In Europe, the Olivetti system operates in a frequency band at around 1.9 GHz, the frequency allocated for cordless telephones. The Olivetti system, on the other hand, operates at 2.4 Gig, in the ISM (industrial, scientific and medical) band.

In the US, the ISM band is available, as are frequencies at 18 GHz. Last month the regulatory authorities also announced that the 1.9 GHz slot would be available for radio Lans as well as mobile telephones. However, some modifications will have to be made to the European equipment to enable it to work to US rules.

The good news is that both the US and European standards organisations have recognised the importance of adopting a single frequency and a single standard for the next generation of radio Lans – dubbed hyperlan – which will operate at very high speeds. A draft standard for hyperlan will be published by the end of 1994.

Even given the goodwill on both sides, it will be some time before such a standard is converted into products which can be purchased. "High-speed data will be a long way down the line – post-2000 and something," says John Davis, group leader in the mobility services sector at BT's Martlesham research laboratories.

"For quite a long time we're going to get low-speed systems. You could probably use those for your Newton, but they're of no use if you've got a workstation and you're shipping computer-aided designs backwards and forwards."

Further worries for potential radio Lan users include eavesdropping and interference with the data. And following the scares in the US linking the use of mobile telephones with cancer, manufacturers could face health scares as well.

Ridley-Jones dismisses such fears, saying the power output needed to transmit data such short distances – up to 50m – is negligible. "There is talk that over 1W is cause for concern," he says, but points out that the military regularly transmits data at more than 50W. In effect, says Derbyshire, radio Lans will operate on average at one hundredth of a watt – compared with 2W for a portable telephone.

Derbyshire believes many of the problems facing radio Lans are cultural as much as technical. "It needs three people to work together: the computer manufacturer, the PABX manufacturer and the provider of the plug-in card." In the US, in particular, he believes it is a battle between the computer and telecoms companies. "There's a high level of politics in it. Computers become phones and phones become computers."

Derbyshire says the problems will eventually be overcome. "It will happen because market forces will dictate it."

Taylor is also optimistic, even about what he calls "Star Trek" applications. "It would be nice to think you could get public access to things such as maps when you're lost in the street," he muses. "Personally I'm convinced that the benefits of being able to communicate without having to plug into the wall are enormous."

Window opens for IBM

IBM has just announced "OS/2 for Windows", a version of its personal computer operating system that sidesteps Microsoft. Until now, IBM has been paying about $20 (£13.40) to Microsoft on each copy of OS/2 sold, for a total of about $80m.

OS/2 for Windows will deny Microsoft tens of millions of dollars in future royalty payments as IBM puts its marketing efforts behind the "Windowless" version of its operating system. IBM expects OS/2 for Windows to double the monthly shipments of OS/2 by the end of December.

"Most PC users already have a copy of Windows and have already paid the licensing fee. There is no reason why they should pay twice for software they already have," says an IBM representative. OS/2 for Windows allows the IBM operating system to merge with a PC user's copy of Windows 3.1, allowing Windows, Dos and OS/2 applications to run on the same system.

However, IBM could face potential problems with this approach.

"I wouldn't be surprised if Microsoft produces a future version of Windows that prevents other operating systems from hooking into it," says Jesse Berst, industry analyst and editor of Windows Watcher newsletter.

John Roberts, group product manager for Windows at Microsoft, says that OS/2 for Windows users might face problems running some business applications that use Microsoft's Object Linking and Embedding technology, allowing different applications to share the same data.

IBM says it has found no significant problems in running Windows applications.

IBM will continue to sell a version of OS/2 that includes the current version of Windows, but once Microsoft releases new versions, IBM will no longer have the rights to include updated Windows software in OS/2.

Tom Foremski

MANAGEMENT: THE GROWING BUSINESS

Hungary for UK exports

Britain is to export its know-how on enterprise agencies to Hungary in an attempt to help the former communist country foster entrepreneurship.

Final plans are still being worked out, but the main principles were revealed last week in Budapest by Tony Faint, a senior civil servant involved with the UK's Know-How Fund for assisting the development of market economies in the former eastern bloc.

Faint was addressing a conference organised by the OECD and B'nai B'rith, a UK-based Jewish charity which frequently lends its own members – many of them former refugees from eastern Europe – as small business consultants.

Three years into market reforms, the conference was told, many of Hungary's small and medium-sized businesses are short of working capital. Many have already mortgaged their assets so they have little collateral to offer their banks, which are themselves short on liquidity.

"But we need partnership, not assistance," Peter Szirmai, president of the Association of Hungarian Entrepreneurs, emphasised. "We don't have enough experience." What he says his members do not want, however, are more consultants with services to sell; they cannot afford them.

Kata Köves, vice-president of the Hungarian women entrepreneurs' association, said: "My experience is quite frightening. Most of our 400 members live without a business plan and from hand to mouth."

The UK's enterprise agencies developed out of a similar need. Sponsored by government, local authorities and the private sector, their role was to offer free advice. Hungary is already following the UK pattern by planning a network of similar agencies.

Faint said the UK would concentrate on making the Hungarian network strong, with proper training, using Durham University Business School and links to experienced agencies in Britain, possibly with exchanges of staff.

"We also want to help development of entrepreneurial attitudes and practice in the general population," he added. He cited Shell's Livewire scheme, which helps train young entrepreneurs for self-employment, as an example.

Ian Hamilton Fazey

Feeling the pinch

The death-knell is sounding for many of Japan's subcontractors, writes Emiko Terazono

Kiyoshi Ikeda, owner of IKD, a small machine-tool and precision parts maker in Ota, Tokyo, sighs as he looks out at his neighbourhood from an office above his factory. "The area used to be full of other businesses like ours. At night we all used to go drinking at the local yakitori shop. Now it's empty most nights," he says.

Ota, populated mainly by small manufacturers and subcontractors of large car and electronic companies, is one of Japan's deteriorating mini-industrial districts. In these areas, small-business confidence has recently sunk to lows last reached during the 1975 recession.

According to Tokyo Shoko Research, a private credit research agency, bankruptcies at small and medium-sized businesses are up 30 per cent on the previous year, compared with about 4 per cent at large companies.

On top of the economic slump, Japan's subcontractors, which make up 56 per cent of the country's small businesses, have been hit by restructuring at larger corporations. Much of this was planned in the early 1980s but the changes were never implemented as the economy boomed later in the decade.

The effect of the restructuring is that leading manufacturers are making fewer model changes and lengthening their product cycles. Components are designed to be shared among a number of models, while the big companies are starting to produce many of the parts and components themselves.

Meanwhile, the appreciation of the yen is accelerating the move to lower-cost production centres overseas, leaving smaller subcontractors behind.

As a result, many large manufacturers are reviewing existing relationships with their subcontractors. Mazda, the car manufacturer, for example, is cutting its first-tier suppliers from 62 companies to 16, while Isuzu is telling its suppliers to reduce their reliance on the company.

Until now, the competitiveness of large Japanese car and electronics makers had been supported by pyramid *keiretsu*, or corporate grouping structures consisting of four to five layers of subcontractors. Sony has about 100 first-tier subcontractors and Toyota Motor has more than 300. These in turn are supplied by scores of second- and third-tier smaller businesses. These small companies have been a vital source of flexibility, allowing not only employment stability in large companies but bearing the brunt of price cuts by agreeing to sharp cuts in profit margins during the hard times.

Close co-operation in the research and development of a new product allowed large manufacturers to procure high-quality, low-cost products. At the same time, subcontractors were able to acquire sophisticated technology, allowing even small concerns such as Ikeda's to use computerised machine tools.

Ashley Ashwood

Restructuring at the big carmakers has put subcontractors in a vulnerable position

Because of this reliance and the lack of formal contracts, most suppliers are now vulnerable. Car and electronics makers may be telling subcontractors to diversify and reduce dependence on a sole customer, but many are exploiting the situation.

There are many stories of small companies forced to choose between slashing prices or being cut off the pyramid. Business associations which support small enterprises claim many large companies are breaking a law which forbids them from cancelling orders to subcontractors without due notice, or demanding discounts on goods at the time of payment. "There are lots of cases under the surface, but most small companies cannot complain for fear of angering the larger companies," says the National Federation of Merchant and Industrialist's Organisations.

Large manufacturers say they have no control over what happens beyond the second tier of suppliers. "We only deal with our first-tier suppliers and as far as we know, we are abiding by the rules," says Nissan Motor. The Japan Communist Party, currently lobbying for the rights of subcontractors, wants regulations at the Ministry of International Trade and Industry changed so that the manufacturer at the head of the pyramid takes responsibility for businesses within the whole structure.

If there is little prospect of regulatory protection, the chances of economic salvation also look fairly remote. Hopes of a recovery in the economy in the second half of the year have receded as fears over falls in real income among workers have depressed consumer confidence. Initial hopes of a recovery boosted commercial lending to small businesses with capital of Y100m (£629,000) or less and workers of 300 or less by 15.1 per cent during the April to June quarter. But the trend failed to last and bankers do not expect demand for funds to recover in the near future. In order to avoid interest costs, small companies are liquidating deposits rather than applying for new loans.

Even though Japan's small manufacturers managed to survive two oil shocks in the 1970s and the surge of the yen in the mid-1980s, many fear there may not be a way out of the current business downturn. According to a study by the Small Business Finance Corporation, more than 60 per cent of a sample of 840 subcontractors said they would seek salvation from their parent companies during the *endaka* (or the 'high yen' recession) in 1986. The most recent survey by the same organisation, however, indicated that more than one fifth of 1,600 businesses polled did not know what to do, while 43.1 per cent said they would try to diversify business relationships.

Miti, which established Japan's post-war manufacturing industry, is aware of the negative consequences of the demise of small businesses. However, the ministry, which virtually established Japan's economic success with its strong guiding hand, has lost the control it once had over industries as corporate Japan has become increasingly international and powerful.

Moreover, the squeeze on small businesses comes as many business owners are ageing and many younger Japanese, captivated by the image of suit-clad businessmen clutching a portable telephone, are avoiding jobs at smaller businesses. Ikeda sums up many attitudes. "I've gone through a few recessions but everyone is saying this one is different. Besides, we're all growing old. We don't have the energy to fight any more," he says.

Richard Gourlay looks at rural and urban employment patterns

Stronger growth in the country

For the last three decades employment in rural manufacturing companies has been growing relative to their urban counterparts. This is not so much due to relocation, but because firms in the country have been taking on proportionately more workers.

At last week's Small Firms conference in Nottingham, a question posed was whether this growth in rural jobs is economically sustainable or whether businesses there may be fundamentally inefficient.

Using evidence from companies that have survived and grown over a 10-year period, researchers David North and David Smallbone of Middlesex University showed markedly different employment generation patterns.*

A 200 per cent increase in sales for a London company, for example, led to only a 66 per cent increase in employment; a similar sales rise for a rural business would have tripled the number of additional jobs.

"Whilst small and medium-sized enterprises in urban areas would appear to have a similar ability to achieve growth as firms elsewhere, they are more likely to achieve it in ways that minimise the number of additional workers employed directly by the firm," Smallbone says.

There are some obvious constraints on urban firms. Wage levels are higher in towns and cities; there is also a greater opportunity to subcontract, while rural companies have to be more self-sufficient.

The research also shows that urban firms tend to adopt growth strategies that deliberately avoid taking on labour.

Smallbone says the research does not have specific policy implications. It nevertheless suggests that those who see small firms as an important source of job creation should acknowledge the different employment patterns.

On the subject of business – as opposed to employee – growth the conference heard a new paper on the Business Start Up Scheme (the name now given to what was originally the Enterprise Allowance Scheme and not to be confused with the forerunner of the Business Expansion Scheme).

The EAS/BSUS was launched in 1981 as a means of supporting unemployed people wanting to make the transition to self employment. It was later handed over to the Training and Enterprise Councils (TECs) to administer.

Research by Shailendra Vyakarnam and Robin Jacobs, of Transitions, a management research and development group, however, suggests much of the effort has been misplaced.** Many individuals backed by TECs have failed and few of those which survive ever progress beyond micro-businesses.

"There is evidence to suggest that growth businesses are started by teams and not by individuals," says Vyakarnam.

"It is time to take another look at the start-up process and see if it is possible to re-design the delivery of support."

The idea that teams rather than individuals are more likely to produce businesses capable of growing is not new. Indeed when Compaq, the US computer group, was founded a decade ago it adopted the team approach and described itself as a "big business starting small".

Studies carried out in Essex and Hertfordshire demonstrate that most putative entrepreneurs do not recognise the need for teams. The vast majority of people considering a new business had not discussed their ideas with anybody beyond their immediate family, the research showed.

Vyakarnam argues that the government might have a better chance of supporting companies capable of growth if it reduced support for some of the TECs' traditional start-up programmes and backed programmes that help build teams.

David North and David Smallbone, Employment generation and small business growth in different geographical environments.
***Shailendra Vyakarnam and Robin Jacobs; Teamstart – Overcoming the Blockages to small business growth.*

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- Freehold premises
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For further details contact the Joint Administrative Receivers:
Allan Griffiths and Malcolm Shierson, Grant Thornton, Heron House, Albert Square, Manchester M2 5HD. Tel: 061-834 5414. Fax: 061-832 6042.

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For further details contact F W Taylor, Ernst & Young, Silkhouse Court, Tithebarn Street, Liverpool L2 2LE. Tel: 051-236 8214. Fax: 051-236 0258.

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POLISH MINISTRY OF OWNERSHIP CHANGES
PRIVATISATIONS THROUGH RESTRUCTURING PROGRAMME

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	Company	Town	Activities
1-	REMA	: Reszel	Production of professional and hobby woodworking machinery
2-	OFM	: Olszyna	Production of wooden furniture
3-	REMOPAP	: Poznan	Maintenance of paper manufacturing plants and mechanical engineering
4-	FACh	: Cieszyn	Production of valves, heat and pressure controls and regulation devices
5-	WELNOPOL	: Czestochowa	Production of weaving and knitting yarns in pure wool, synthetic or mixed fibres
6-	LIMA-Therm	: Limanowa	Manufacturing of heat controls and regulation devices
7/8-	OPB & OPBO	: Opole/Ostrow	*Building construction and public works, prefabricated concrete products*
9-	LZMOIS	: Zary	Production of fireproof bricks
10-	ELTRA	: Bydgoszcz	Production of electrical and electronical components and Hi-Fi equipment
11-	POM	:Szczecinek	Maintenance of agriculture machinery and production of steel containers
12-	KZKSiUD	: Bialystok	Steel construction (bridges, cranes, frame works...)

This advertisement constitutes a public and official invitation to bid for the restructuring and privatisation of the above mentioned companies whose capital is currently held by the Polish State Treasury, in accordance with art 23 §1 of the law on the privatisation of State-owned companies, subject to the conditions stated in the so called 'Privatisation through Restructuring programme'. *Bids must be received at the* ministry before 3:00 p.m. local time, on Friday, December 12, 1993 for companies Nr 1 to 6 and on Monday, January 10, 1994 for companies Nr 7 to 12. However, the Ministry reserves the right to negotiate with the selected offerers and also to dismiss the entire tender procedure without having to justify its decision.

"Business profiles" are available in French, English and Polish for each company. Still, independent due diligence concluded by interested investors is possible and recommended. *For information about the programme, its operational modes and participation conditions please* contact:

In Poland

ARIA Warsaw: ul. Jasna 1, Room 430,00-013 Warsaw - phone/fax. (48-22) 27.45.31 - Michel Sieradzan
ARIA Poznan: ul 28 Czerwca 231/239 Room 107, 61-485 Poznan - phone/fax (48-61) 33.17.90 - Krzyztof Borowiak

In France

Eurogroup Consultants: 17, rue Louis Rouquier, 92300 Levallois - phone (331) 47.58.12.03 - fax (331) 47.59.01.55 - Joseph Florentin Donès Consultants: Technoparc, Av. des Peupliers, 35510 Cesson-Sévigné - phone (33) 99.83.81.82 - fax (33) 99.83.91.95 - Michel DorinBanque Worms: Tour Voltaire, 1 pl. des Degrés, 92059 Paris La Défense - phone (331) 49.07.50.28 - fax (331) 49.07.59.32 - Daniel Godet

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By order of the Board
Nigel B Richardson, Secretary
19 Rutland Square
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EH1 2BA 22nd November 1993

LEGAL NOTICE

NOTICE OF APPOINTMENT OF ADMINISTRATIVE RECEIVER
CYGNET (CINEMA BARS) LIMITED
(In administrative receivership)

Registered Number: 2770638. Former Company Names: Issue Match Limited. Trading Name(s): Cygnet (Cinema Bars) Limited. Nature of Business: Bars. Trade Classification. Division 4 Retailing 1b. Date of Appointment of administrative receivers: 11 November 1993. Name of Person Appointing the administrative receivers: Carlsberg - Tetley Brewing Limited. Names of Appointees: A M Menzies and J K R Jones. Office Holder Numbers: 0/6053/01 0/4596/01

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FT CONFERENCES

VENTURE FORUM EUROPE '93
London, 29 November - 1 December
Arranged jointly by the Financial Times and Venture Economics, the Forum brings together industry experts from Europe and the USA to discuss the issues and opportunities affecting the European venture capital community. The Forum will include sessions on new approaches to fund raising; buyouts; the outlook for technology investing in Europe and future forecasts.

DOING BUSINESS WITH SPAIN
- The Economic Challenge of the New Government.
Madrid, 1 & 2 December
The FT's annual conference, arranged with Expansión and Actualidad Económica, will review the economic, budget and labour policies of the new Spanish Government as well as important questions on Europe's future and the conditions for monetary and political union. The distinguished panel of speakers includes: D. Pedro Solbes Mira, the Spanish Minister of Economy & Finance, D. José Antonio Griñán Martínez, the Spanish Minister of Labour & Social Security, D. Luis Angel Rojo, Governor of the Bank of Spain, and D. Javier Valls, Banco Popular Espanol.

PENSIONS - A Time for Change
London, 7 & 8 December
Following the publication of the Goode Committee's Report, the conference will discuss key issues of concern to pension fund administrators and their advisers and examine investment strategies in a climate of low inflation. Mr William Hague MP, Department of Social Security will give the opening address and speakers include: Mr Tom Ross, Clay & Partners; Mr Brian Matthews, ESN Pension Management Group; Mr Hugh Stevenson, Mercury Asset Management Group plc; Mr Ron Spill, Legal & General Assurance Society Limited and Mr Rodney Dennis, Prudential Portfolio Managers Limited.

WORLD TELECOMMUNICATIONS
London, 7 & 8 December
The conference debate will focus on the trends changing the shape of the world telecommunications industry, with particular emphasis on regulation and the methods, challenges and obstacles of privatisation. Speakers include: Mr Don Cruickshank, Director General of OFTEL, Mr James H Quello, Chairman of the Federal Communications Commission, Mr Marc Dandelot, Conseiller d'Etat, French Ministry of Posts and Telecommunications, Mr Pál Horváth, Director General of the Hungarian Telecommunications Company ; Mr Bessel Kok, Chief Executive Officer of Belgacom and Mr Merrill Tutton, President, AT&T (UK) Ltd.

THE OUTLOOK FOR NATURAL GAS IN THE 1990s AND BEYOND
Vienna, 13 & 14 December
This topical meeting will consider developments in key markets, evaluate supply and demand, and examine the financing of gas projects. Speakers include: Mr David Pearce, Shell International Gas Limited; Mr Fritz Voigt, Exxon Company International; Mr Peter Mellbye, Statoil; Mr Herbert Detharding, Wintershall AG; Mr Robert Kelly, Enron Corp and Mr Jean-Marie Dauger, Gaz de France.

RESOURCE MANAGEMENT IN THE PUBLIC SECTOR
London, 7 February 1994
This conference will examine the opportunities for selling services to the public sector and how a successful and enduring partnership can be built between the public and private sectors to the advantage of both.

COMMERCIAL AVIATION IN THE ASIA-PACIFIC REGION
Singapore, 20 & 21 February 1994
This biennial meeting, timed to coincide with the Asian Aerospace & Defence Technology Exhibition, brings together expert speakers to discuss the rapid growth of commercial aviation in the Asia-Pacific region and consider the impact of this expansion on the demand for new airliners, additional airports and improved infrastructure.

All enquiries should be addressed to : Financial Times Conference Organisation, 102-108 Clerkenwell Road, London EC1M 5SA. Tel: 071 814 9770 (24 hour answering service) Telex: 27347 FTCONF G Fax: 071 873 3975/3969

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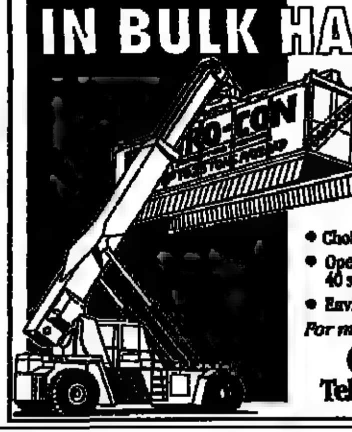

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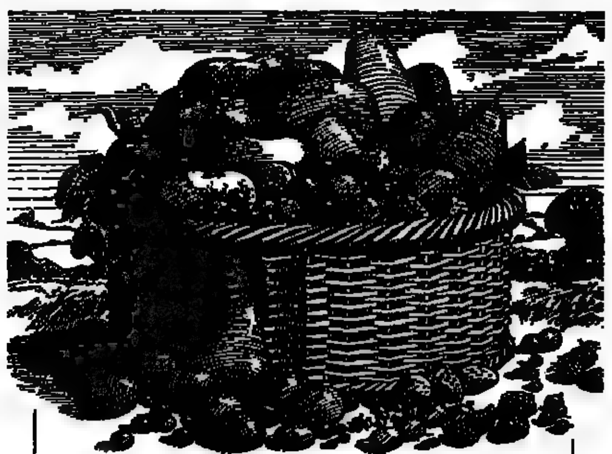

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PEOPLE

Walker takes over at Swalec

The new group chief executive of South Wales Electricity, Andrew Walker, is clearly a man who ignores the herd and sails his own course.

In 1975, a time when many students and young people were campaigning against companies – in particular Barclays Bank – for their connections with South Africa, Walker, recently graduated from Cambridge, showed an independent mind and went off to Johannesburg to work for the South African Chamber of Mines. His task was to increase gold mining productivity, using his engineering degrees.

At 42, Walker, a former pupil at Ampleforth, now takes over at South Wales Electricity, recently re-named Swalec, a company with a market capitalisation of some £660m.

He joins on Thursday though he will actually take over in January 1994, following David Jones's move to be chief executive at the National Grid Company.

Walker has long had ties with electricity generation, having been sponsored by the Central Electricity Generating Board during his first degree.

While in South Africa he joined Dowty, remaining with the company through a variety of posts until leaving in August this year.

Swalec had been talking to Walker about taking up the new post for the past six weeks. According to Wynford Evans, Swalec's chairman, Walker will be expected not just to "control our core business but also to lead in developing our opportunities in cable, television and telephony, as well as to pull our contracting subsidiaries in better order".

Finance moves

■ Gerry Grimstone, who joined Schroders from the Treasury seven years ago, has moved out of the investment banking division to head the newly created international financing and advisory department. Whereas investment banking handles UK mergers and acquisitions and flotations as well as overseas M & A work in those countries where the bank has a local presence, Grimstone's new domain has taken charge of equity capital market activities worldwide. Current assignments include advising the Greek government on the privatisation of the telecommunications company OTE and the Italians on the INA life assurance company sell-off.

Grimstone's department falls within the new international finance division under group managing director William Slee. Bernard Dewe Mathews, who looks after international projects and contractor advisory and financing activities, heads the other department, to be known as the international projects department.

■ Neil Pegrum, manager of the M&G Midland & General Trust Fund and the M&G Equity Income Fund, and Peter Jones, head of research at M&G Group, have been appointed directors of M&G Investment Management.

■ Tarek Mahmoud, formerly md of Bankers Trust International's debt new issue business, has been appointed a director of BARING BROTHERS & Co.

■ Simon Ashworth, Peter Bickley, Virginia Halliwell and Barry Scott have been appointed directors of TILNEY & Co.

■ Bob Bennett (above left), formerly general manager (finance and estates) at the Leeds Permanent Building Society, has been appointed finance director of NORTHERN ROCK BUILDING SOCIETY.

■ Christopher Joll (above right), formerly chief executive of Georgeson & Company, has been appointed a director of KLEINWORT BENSON SECURITIES.

■ Simon Frost has been appointed a partner of KEITH BAYLEY ROGERS & Co.

■ John Standen is appointed chief executive of BZW corporate finance worldwide; he was previously responsible for UK operations. John Hunt, John Plaxton and Jeremy Seddon are appointed vice-chairmen; Edward Nicholson becomes chief operations officer. Richard Gillingwater and Philip Remnant are appointed chief executives of UK corporate finance.

Graham Rider (left) has been appointed managing director of Financial Institution Services at Thomas Cook.

Rider, 40, joins the travel and financial services group from Storehouse, where he was group finance director, as well as being finance director of British Home Stores. Previous jobs were also in the retail sector as financial controller at Woolworths and at House of Fraser.

A move to Thomas Cook's retail travel chain would have kept Rider in a mass consumer industry. His responsibilities on Thomas Cook's financial side will, however, be somewhat different. The subsidiary he will head provides travellers' cheques, foreign currencies, drafts and wires to about 8,000 financial institutions.

Rider concedes that his new job is in a different line of business from his previous positions. But he says his retail background will help him fulfil Thomas Cook's aim for the subsidiary, which is to improve customer service.

Another change is the move from a quoted UK company to an organisation controlled by Westdeutsche Landesbank and LTU, the German travel group. Rider says that although he will no longer have to deal with shareholder matters, Thomas Cook is sufficiently large to provide him with other challenges.

Townsend leaves NHS for Btec

Tina Townsend has been appointed the new chief executive of the Business and Technology Council, one of the bodies which validates vocational qualifications.

She succeeds John Sellars, who has led Btec from its inception in 1983.

Townsend takes up her appointment in February 1994 from her present post as chief executive of the National Health Service Training Directorate. Her recent experience of leading a major organisation through a period of change will be apposite for Btec which is at the forefront of change in vocational education in an effort to meet the government's national education and training targets.

Townsend, 46, started her career as a lecturer in vocational education and training at the University of Wales and was a senior research officer with the Manpower Services Commission. She joined the NHS Training Authority as director of research in 1984.

She said yesterday: "Britain's need for a fully motivated and technically equipped workforce has never been greater."

A self-financing organisation, Btec was set up in 1983 by the then Department of Education and Science with the aim of promoting and developing quality work-related programmes.

■ Nicholas Barber, chief executive of the Ocean Group, has been appointed a trustee of the BRITISH MUSEUM.

■ Stephen Gutteride, md supply of Seeboard, has been appointed a director of the ELECTRICITY ASSOCIATION on the retirement of Maunder Wide.

■ Malcolm Miles, md of BSP International Foundations, a vice-president of the East Anglian Engineering Employers Federation and a trustee of the Deep Foundations Institute of America, has been appointed president of the COMMITTEE FOR EUROPEAN CONSTRUCTION EQUIPMENT.

■ Malcolm Lelliott, chairman of the UK section of AEEBC, has been appointed president of the ARCHITECTS AND SURVEYORS INSTITUTE.

BUSINESSES FOR SALE

GREEK EXPORTS S.A.

ANNOUNCEMENT OF A REPEAT PUBLIC AUCTION FOR THE HIGHEST BID

GREEK EXPORTS S.A., established in Athens (17 Panepistimiou Street) and legally represented, in its capacity as Liquidator in accordance with article 46a of Law No. 1891/1990, supplemented by article 14 of Law No. 2000/1991 and following Decision No. 3089/1993 of the Athens Court of Appeal.

ANNOUNCES

a Public Auction for the Highest Bid with sealed, binding offers for the sale, in toto, of the assets of the société anonyme named GENIKI PROMITHEFTIKI (KATASKEVAI) AE ELECTRICAL, TELECOMMUNICATIONS AND PLASTICS INDUSTRY, which is under special liquidation and established at 25 Stournari St. in Athens and is engaged in the manufacture of low, medium and high voltage electrical equipment and all kinds of telecommunications materials.

1. In order to take part in the auction, interested parties are invited to receive from the liquidator the Offering Memorandum as well as the form of the Letter of Guarantee required for the submission of a binding offer to the Athens notary public assigned to the public auction, Mrs. Andriani-Dimitra Economopoulou-Zapheiropoulou, 18 Voukourestiou Street, 5th floor, tel. 361.8249 up to Thursday 16th December 1993 at 1900 hours. Bids must be submitted in person or by a legally authorised representative.
2. The bids will be unsealed before the above-mentioned notary public on Friday 17th December 1993 at 1100 hours with the Liquidator in attendance. Those who have submitted bids within the prescribed time can also attend.
   Bids submitted beyond the prescribed time will not be accepted or taken into account.
3. The sealed, binding offers must clearly state the price offered for the purchase, in toto, of the Company's assets and must be accompanied by a Letter of Guarantee from a bank legally operating in Greece, for the amount of eighty million drachmas (80,000,000 drs.) or its equivalent in U.S. dollars.
4. The Company's assets and all fixed and circulating constituent parts thereof, such as immovable and movable property, claims, trademarks, titles, rights, etc, are to be sold and transferred "as is, where is" and, more specifically, in their actual and legal condition and location on the date on which the sale contract is signed, regardless of whether the Company is operating or not.
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6. Prospective buyers, hereinafter referred to as "Buyers", shall be obliged, on their own responsibility and due care, and by their own means and at their own expense, to inspect the object of the sale and form their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the assets for sale. The Buyers are hereby reminded that, in accordance with the provisions of Law 1892/90, article 46a, para. 4 as in force, having agreed in writing to maintain confidentiality, they are entitled to have access to any information they may require concerning the Company for sale.
7. Bids should not contain terms which might prevaricate their bindingness or any vagueness concerning the offered price and its method of payment, or any other matter of importance to the sale. The Liquidator and the Majority Creditors have the right, at their incontestable discretion, to reject offers which contain terms and conditions, irrespective of whether these offers contain a higher price than that of other bidders.
8. In the event that the person to whom the auction is adjudicated, fails in his obligation to appear within twenty (20) days from being invited to do so, and sign the relative contract and fails to abide by the other obligations accruing from the present announcement, then the above-mentioned guarantee of eighty million drachmas (80,000,000 drs.) is forfeited to the Liquidator in compensation for expenses of any kind, time spent, any actual or hypothetical loss sustained with no obligation on the Liquidator's part to furnish any specific proof or deem that the amount has been forfeited to him as a penalty clause and collect it from the guarantor bank.
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CONTRACTS & TENDERS

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In accordance with the provisions of the Assigned order of Construction and the Commercial Code of the Czech Republic a public commercial tender competition will be held for contractors for the Refurbishment of the Obecni dûm, Praha.

The project comprises the refurbishment of the building, site plan area 4,227 m², volume 146,240 m³. Included is the complete renewal and modernization of technical facilities and the restoration of historically protected areas.

Parties who wish to be included in the tender can collect the tender conditions from Directors secretariat at the Obecni dûm, nám. Republiky 5, 111 21 Praha 1 (Tel. 232 08 39, fax. 231 25 70), weekdays from 08.00 to 12.00. Questions should be in Czech and addressed to Ing. Frabša at the above address (Tel: 232 65 82). Submissions must be returned by 20th December 1993.

Ing. Zbyněk Sadil, Csc.
Director

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Low rent but high brow

Lynn MacRitchie admires the video installation works of Gary Hill

The work of Gary Hill, now showing at the Museum of Modern Art, Oxford, and that of Bill Viola which follows next month at the Whitechapel Gallery, London, should convince anyone still in doubt that video, for all its low rent, low brow connotations, can be used to create beautiful, thoughtful works of art.

Hill, born in California in 1951 and originally trained as a sculptor at the Art Students League, Woodstock, New York, has been working with video for 20 years. His installations created in the last three have won him a reputation of world standing, sealed by the acclaim accorded "Tall Ships" at Documenta 9 in Kassel last year and repeated at the Whitney Biennial in New York earlier this, which is one of the five works featured at Oxford.

He has succeeded in using a medium which has often been dismissed as peripheral to the artistic mainstream to create artwork of beauty and profundity. Looking at his work is not quite so straightforward as looking at a painting, however. Three installations, "I Believe It Is An Image In Light Of The Other," "Tall Ships" and "Learning Curve" all require the spectator to become part of the piece, whether stepping in to a dark tunnel to activate the ghostly figures which animate "Tall Ships", threading through the hanging cathode ray tubes of "Image in Light of the Other" or sitting at a modified school desk to gaze at the endlessly crashing wave of "Learning Curve."

But participation by the viewer does not seem, as it can do in some interactive pieces, strained or uncomfortable. Instead, physical engagement becomes part of the process of understanding the works, revealing the complexity of their formal organisation and also contributing to their impact. The viewer must step into a dark enclosure to trigger the projections in "Tall Ships", a series of figures which come forward and return the spectator's gaze before finally turning away, as if unsatisfied with the encounter. The cathode ray tubes of "... in Light of the Other", 1991-92, are the only source of light in the installation and viewers must weave through their electric glade to read the texts on the books spread on the floor beneath.

Hill has developed these complex works by using video to examine the relationship between image and text, initially in single screen tapes such as "URA ARU", where words are run backwards and forwards over the visual image. The power of the installations, however, lies in his way of opening out his video work from the the single screen to become part of mixed media compositions with a wider reference to traditional painting or sculpture. The figures in "Tall Ships", for example, could be a living mural while his use of the naked body as subject is part of the long humanist sculptural tradition. His chosen tool, the video camera, allows that tradition to move into the era of the electronic image.

In "Inasmuch as it is Always Already Taking Place", 1990, for example, 16 cathode ray tubes of various sizes are tumbled together in a specially built wall niche. Each is the size of the part of the body which is shown on the screen, normal television size for the stomach, tiny for the tip of a finger. They sit in their alcove glowing blue, mysterious, like the bones of a saint. This is no desiccated memorial, however, but living flesh, rising and falling as it breathes, the separate parts combining to create a metaphor for, in Hill's words, "the meeting ground of the physicality of the body, space and time."

Another physical experience, that of surfing, underlies the concept of "Learning Curve," 1993, specially commissioned for this exhibition. In his California youth, Hill was a keen surfer, and wanted to explore the experience of riding "the perfect wave", dependent on a momentary harmony of mind, body and nature, as a symbol for the "opening out" of the mind immersed in the flow of thought. Hill has adapted a school desk so that its surface stretches out some 15 or so feet in front, sloping gently upwards. At its highest point rises a low horizontal screen, on which is projected the video image of a constantly breaking wave.

The piece is a departure from the other works, inviting the viewer to contemplate not the image of a thinking body but the concept of thought itself, "feeding back to the viewer," Hill explained to me, "in the endless becoming of the wave." Hill's work is remarkably successful in juggling with philosophical concepts expressed through technology.

This is perhaps because he is prepared to be as ruthless with his medium, stripping down the complexities of the video monitor to a few fragile glass tubes, as he is with his own body, which he subjects to his camera's unflinching gaze. This old fashioned artistic honesty, in which both subject and technique are pushed to their limits in the attempt to achieve a successful formal resolution, results in works of power and conviction, as well as beauty.

Gary Hill: In Light of the Other until January 9; Museum of Modern Art, 30, Pembroke Street, Oxford OX1 1BP. Tel 0865 722733. In association with the Tate Gallery, Liverpool, where the show can be seen from February 26 - May 2, 1994.

'I Believe It Is An Image In Light Of The Other' by Gary Hill

Concerts in London

The Purcell Experience

This was Roger Norrington's seventh "Experience" weekend. The format of talks, exhibitions, chamber and orchestral events provides the opportunity for audiences to immerse themselves in a composer's mind and music.

This year's focus of attention was Purcell, which meant that the "Experience" also counted towards the South Bank's celebrations leading up to the composer's tricentenary in 1995. If such a prestigious national event can call forth the funds, we may yet get a full re-enactment of what extravagance really meant in Restoration theatre. This weekend could only hint at it with its closing performance of *The Fairy Queen*.

Before the main event a lecture examined how Shakespeare's *A Midsummer Night's Dream* was trimmed, coiffured, given a virtual short-back-and-sides to suit late 17th-century fashion. An example of how individual lines were rewritten was especially telling, not least because on this occasion we were to get Elkanah Settle's version of the play together with Purcell's music, both complete, though unstaged – a full four-hour entertainment, which overran vastly.

The re-coupling of play and music is for special occasions only. There is barely any connection between the two, except the overall feel of the period spectacle, best judged when seen (if ever again) with the lavish sets and costumes that were an integral part of the show. The interesting feature at the Queen Elizabeth Hall was how vividly the neutered portions of the Shakespeare still held the attention – a plus point for some lively acting.

Any thinking conductor of Purcell these days has his opinions on the texts and Norrington is no exception. For *The Fairy Queen* he re-ordered a couple of items. He has no double-bass in the London Baroque Players. And he prefers high tenors (Howard Crook and Mark Padmore, nicely contrasted, both able and musical) to counter-tenors.

After a couple of very characterful performances of this piece recently in London from Les Arts Florissants and the Gabrieli Consort, it seemed at first that Norrington might be on the dry side. The Schütz Choir was not placed ideally forward. Nor were all the female soloists as well parted as Lorraine Hunt, who had a few uncertainties as to where the music was going, but none at all about her voice, a full, gleaming, far from standard baroque soprano.

By the end, however, all doubts had faded. Norrington had given us humour without vulgarity, variety without gratuitous extra colouring, the passing shortcomings of his rivals. How inventive a score this is, full of magic, comedy and feeling – in so many ways a worthy parallel to the Shakespeare play it so naughtily misrepresents.

Richard Fairman

Messiaen's final swan song

The high point of the Barbican's *in memoriam* festival for Olivier Messiaen was naturally the British premiere of *Eclairs sur l'Au-Delà ...*, his last major work. The New York Philharmonic commissioned it, and first played it in November last year, six months after the composer's death at 83. On Sunday *Eclairs* had a resplendent performance by Kent Nagano and the London Symphony on Sunday, so finely prepared and projected as to forbid the easy response, "There goes Messiaen re-cycling himself again!"

Messiaen always did re-cycle himself, of course. At least from the 1940s, material from earlier pieces – not just themes and chord sequences, but particular tropes and whole movement-formats – recurred regularly in his new ones: often because of some devotional significance that they had for him, like sacred "Leitmotiven". Since *Eclairs sur l'Au-Delà* ("Illuminations of the beyond") is a devotional work *par excellence*, we expected most of the familiar elements again, and we got them in profusion.

In the music of a composer with such a highly coloured but restricted vocabulary (original though it was), all that self-quotation has sometimes seemed risky. Even in Messiaen's late mega-"opera" on St. Francis, there are long stretches which sound routine simply because we have known them from long before. Yet in *Eclairs*... the echoes have a silvery new ring, touched with a soft new grace.

That might be a sentimental illusion, the effect of knowing that this is an old composer's last testament (as he surely meant it to be); but I do not think it is. There is a parallel between *Eclairs*... and Stravinsky's last pieces: a degree of unforced compression and seeming simplicity, which renders the sense of the music utterly transparent. With the Messiaen that must be owed partly to the refined luminosity of his orchestration (especially in Nagano's beautiful handling), but that is not all.

Notoriously, Messiaen adored the hieratic manner – which always made room for minatory thunderings and ultra-sweet quasi-kitsch. Here, however, the old impassioned gestures are reduced to potent hieroglyphs. For more than an hour, the eleven movements of *Eclairs*... (some very short, none very long) pass by in beatific serenity, like panels in a moving frieze, whether in brazen tones or ethereal ones. No hectoring, no over-insistent poignancy (but lots of birdsong); and the proportions are concise and masterly. Love Messiaen or loathe him, this is a quintessential work.

David Murray

Last two concerts in Messiaen series November 29 & December 10, London Sinfonietta at Barbican

Pop/Antony Thorncroft

Terence Trent D'Arby

Pop history is littered with the corpses of talented artists who promised much with their first albums only to falter when asked to repeat the trick. The unspoken question dogging Terence Trent D'Arby's current tour is whether the American singer has managed to recapture the touch which made his 1987 debut, *The Hardline according to Terence Trent D'Arby*, an award winning million seller.

On the evidence at the Brixton Academy the jury is still out. Although he has matured as a songwriter, the quality of the material remains uneven. His best new songs are slow and reflective, and his current single, "Let me down easy", is as nice a piece of piano balladry as the charts have seen all year.

In performance D'Arby saves this gem for the encore, seated, solo and centre stage, at the key boards, yet elsewhere his image as a soft and sensitive artist is undermined by an arrogant and self-important personality. He passed most of the early part of the evening draped in a shiny cloak, dramatically peeled away to reveal white Lycra tights and a naked torso studded with pectorals worthy of Chris Eubank. Like Eubank, D'Arby shares a weakness to project himself as "simply the best".

He seemed unwilling to endear himself to the audience, staying tight lipped between songs and disdainful of the need to please. To make things tougher for himself his new up tempo numbers sounded surprisingly limp, and owing much to rival Lenny Kravitz, who has exploited the black pop rock market which "Hardline" helped to open up. Incidentally, the tribe of pop sociologists might like to speculate why D'Arby, like Kravitz, appeals mainly to a white audience. Brixton was attracting an away crowd on Friday.

It is too soon to say whether D'Arby has secured his reputation on this trip. He still has to decide whether to continue to play out his unconvincing stereotype as the street punk, or settle instead for the more restful role of the serious singer songwriter.

Dance/Clement Crisp

Ballet Imperial

We hear those first grand, declamatory chords of Tchaikovsky's *second piano concerto*. The Opera House curtains part, and there is the Eugene Berman front-cloth: a balustrade, the basin of a fountain frozen in winter's grip, a distant dome.

Then through the gauze we see the double-headed eagle, the flambeaux and pillars, and in front of them the facing diagonals of dancers, who are the courtiers in the ritual that is to follow. They make formal bows to each other, and this vision of St. Petersburg as a symbol of imperial power and imperial art casts its spell. We are in some great gallery of the Winter Palace; and outside, the sublime city gleams in the frozen northern light.

George Balanchine made *Ballet Imperial* in 1941 as a comment on the old repertory – and the old world – in which he had been reared as a student in Petersburg, and, I would venture, as testimony to his belief in its continuing significance. (The occasion was a wartime tour designed to take American classic ballet to South America: it is ironic that the piece showed American dancers performing an essentially Russian work. *Concerto Barocco*, the other creation for the tour, was truly American, in exposing Balanchine's New World classicism).

The choreography is an exhilaratingly beautiful realisation of the score. The diamond flash of the pianism defines the ballerina role, with its parure of brilliant-cut entries, as, too, the joyous bravura demanded of the subsidiary trio of a second ballerina and two men. The elegiac slow movement shows the leading danseur as a prince to whom the ballerina appears as a vision (it is resonant of *Sleeping Beauty*'s second act). The final allegro is marked *con fuoco*, and Balanchine calls for fire in step to match Tchaikovsky's blaze of notes.

The piece is a marvel, as we have known ever since Balanchine mounted it at Covent Garden in 1950, when it was given the superbly evocative Berman designs, happily restored last season. It has, in the past, also been danced with the combination of stunning prowess and classic authority that is the key to its identity. Moira Shearer, Nadia Nerina, Antoinette Sibley, and Michael Somes and David Blair in the cavalier's role, have led tremendous casts. On Saturday afternoon it returned to the stage: I think it a work so vital for the Royal Ballet's health, so challenging and rewarding, that it ought never to be long absent from the repertory.

With a sense of charity proper at this time of year, I must assume that what we saw was a singularly dismal dress rehearsal. The corps de ballet looked ragged, undisciplined, with lines erratic, and such positions as *attitudes* entirely at odds in a group of four danseuses. Patterns were cramped, and this in a ballet where the interplay of lines is vital. The principals seemed to me unsuited or unprepared for their tasks: what should have been grandiloquent, elegantly brilliant, was inexact or anxious.

Only Sarah Wildor, as one of the two demi-soloists in green, showed what the ballet could be: her aristocracy of manner, the distinction of every step, were ideal. And I record with pleasure that certain niceties of the choreographic text, which were overlooked at last season's revival, have been restored.

This programme also brings back *Tales of Beatrix Potter*. A large number of tots and their minders were audibly enraptured by what they saw. It is, I reluctantly suppose, decent enough entertainment for infants. I cannot believe that adults should be expected to spend 70 minutes watching pork chops on the hoof and assorted vermin scampering about the Opera House stage, masked, padded, in the throes of rampant cuteness.

It is, of course, a money-spinner for Covent Garden – and no worse indictment can there be of current funding than that such tosh be seen in an Opera House. In future, let the Royal Ballet take a theatre every Yuletide and engage any jobbing dancers who may be around, to appear in it as a cash-raising exercise. (It would probably run as long as *The Mousetrap*. They might call it *Claptrap*.) It is unworthy of the Royal Ballet, and of Covent Garden.

INTERNATIONAL ARTS GUIDE

AMSTERDAM

Concertgebouw Tonight: Frans Brüggen conducts the Orchestra of 18th Century in symphonies by Mozart and Schubert. Tomorrow, Thurs, Sun afternoon: Bernard Haitink conducts the Royal Concertgebouw Orchestra in Stravinsky, Debussy and Shostakovich. Fri: Thomas Sanderling conducts the Brabants Orchestra in Brahms and Rakhmaninov, with piano soloist Misha Dichter. Sat afternoon: Jordi Savall directs Hesperion XX in early Spanish and Italian music. Sat evening: Gail Gilmore sings Gershwin. Sun evening: Bella Davidovich piano recital. Next Tues: Gidon Kremer and Chamber Orchestra of Europe (24-hour information service 020-675 4411 ticket reservations available on 020-671 8345)

Muziektheater Thursday, Sunday, and next Tuesday: Christophe Rousset conducts Pierre Audi's production of L'incoronazione di Poppea, with a cast led by Cynthia Haymon and by Brigitte Balleys. Sunday: Philip Glass piano recital (020-625 5455)

BRUSSELS

Théâtre National Tonight in Grande Salle: first night of new production of Fernand Crommelynck's 1921 play Les Amants Puerils, directed by Patrice Caurier and Moshe Leiser (daily except Sun and Mon till Dec 12). Tomorrow in Petite Salle: revival of Lady Will, in which Veronique Dumont portrays the women in Shakespeare's life. Daily except Sun and Mon till Dec 19 (02-217 0303)

Palais des Beaux Arts Tomorrow: Frans Brüggen conducts Orchestra of 18th Century in symphonies by Mozart and Schubert. Fri: Gilbert Varga conducts Belgian National Orchestra in Haydn, Mozart and Bartok, with violin soloist Leonid Kavakos. Next Mon: Placido Domingo (02-507 8200)

Monnaie Fri: Rosas dance troupe opens a week of performances. Choreography by Anne Teresa de Keersmaeker, with vocal soloists and orchestra conducted by Philippe Herreweghe (02-218 1211)

CHICAGO

CHICAGO LYRIC OPERA

Tonight is the premiere of a new production of Die Walküre, conducted by Zubin Mehta and staged by August Everding, with a cast led by Eva Marton, James Morris, Siegfried Jerusalem and Tina Kiberg (repeated Nov 27, Dec 3, 6, 10, 14, 18, 22). Peter Hall's production of Cosi fan tutte, conducted by Andrew Davis, can be seen on Nov 28, 30 and Dec 4, with Carol Vaness, Delores Ziegler, Keith Lewis and Jeffrey Black (312-332 2244)

CHICAGO SYMPHONY

Georg Solti conducts works by Mendelssohn, Stravinsky and Beethoven tonight at Orchestra Hall, with piano soloist Patricia Pagny. Pierre Boulez opens a three-week residency on Fri and Sat with a programme pairing Bartok's First Piano Concerto (Krystian Zimerman) and Mahler's Sixth Symphony (312-435 6666)

LAUSANNE

- Rudra Béjart Lausanne gives a short season at Cinéma-théâtre Métropole between Dec 1 and 11, featuring choreographies by Maurice Béjart (021-312 6433)
- Opéra de Lausanne presents Gounod's Mireille at Théâtre Municipal tonight, Thurs, Sun and next Tues. Cyril Diederich conducts a staging by Robert Fortune, with cast led by Danielle Borst (021-312 6433)

ROTTERDAM

De Doelen Tonight, tomorrow, Thurs: Ken-Ichiro Kobayashi conducts Rotterdam Philharmonic Orchestra in works by Weber, Beethoven and Grieg, with piano soloist Ronald Brautigam. Tonight (Kleine Zaal): Skampa Quartet of Prague plays Mozart, Beethoven and Smetana. Sun afternoon: Norwegian String Quartet. Sun evening: Arnold Ostman conducts Radio Chamber Orchestra in Boccherini and Stravinsky (010-217 1717)

UTRECHT

Vredenburg Tonight: Yevgeny Svetlanov conducts Hague Philharmonic Orchestra in Mahler's Ninth Symphony. Thurs, Fri: Frans Brüggen conducts Orchestra of 18th Century in symphonies by Mozart and Schubert. Sat: Arnold Ostman conducts Radio Chamber Orchestra in Boccherini, Hummel and Stravinsky. Sun afternoon: Jan Latham-Koenig conducts Radio Symphony Orchestra and Chorus in Gounod's oratorio Mors et Vita. Next Mon: Jordi Savall directs Hesperion XX in Monteverdi (030-314544)

VIENNA

Musikverein Tonight: Nikolaus Harnoncourt conducts Chamber Orchestra of Europe in Beethoven. Tomorrow: Hermann Prey sings Die schöne Müllerin (part of this week's Schubertiade in the Musikverein's two halls). Fri: Vladimir Fedosseyev conducts Austrian Radio Symphony Orchestra in Szymanowski, Shostakovich and Stravinsky. Sat: Bruno Weil conducts concert performance of Schubert's three-act opera Alfonso und Estrella. Sat (Brahms-Saal): Ann Murray song recital. Next Mon: Bruno Giuranna directs Orchestra da Camera di Padova e del Veneto in Boccherini, Rossini and Mozart. Dec 4, 5: Simon Rattle conducts Vienna Philharmonic (505 8190)

Konzerthaus Tonight: Ensemble die reihe plays music by Erich Urbanner (b1936 Innsbruck). Thurs: Arnold Schoenberg Chorus in works by Cerha, Penderecki and others. Fri: Ingo Metmacher conducts Vienna Symphony Orchestra in Messiaen's Eclairs sur l'Au-Delà, final concert of this year's Wien Modern contemporary music festival. Next Mon: Heinrich Schiff conducts Northern Sinfonia in Mozart, Nicholas Maw and Beethoven (712 1211)

Staatsoper Tonight, Sat: Carmen. Tomorrow, next Mon: Il barbiere di Siviglia. Thurs: Don Giovanni. Fri, Sun: new production of Kenneth MacMillan's ballet Manon (51444 2955)

Kammeroper Tomorrow, next Mon: new German-language production of Rossini's La scala di seta directed by Boris Pokrovsky. Runs till Jan 5 (513 6072)

Raimundtheater Sun: German-language premiere of Kiss of the Spider Woman, with Austrian pop star Mo Günter Mokesch in the lead role (Wien-Ticket 58885)

WASHINGTON

MUSIC

- Jiri Belohlavek conducts National Symphony Orchestra in works by Grieg, Janacek and Dvorak tonight at Kennedy Center Concert Hall. Fri and Sat: Pops concert with Nana Mouskouri and Harry Belafonte (202-467 4600)
- Washington Opera's production of Donizetti's Anna Bolena, starring Nelly Miricioiu, can be seen tonight, Fri and Sun afternoon at Kennedy Center Opera House (202-467 4600)
- George Mason University's Center for the Arts has performances of The Nutcracker by Russian State Theater on Fri, Sat and Sun (703-993 8888)

THEATRE

- Dancing at Lughnasa: Brian Friel's play about five Catholic sisters at Donegal 1936. Till Jan 2 (Arena Stage 202-488 4377)
- Julius Caesar: a Shakespeare Theater production directed by Joe Dowling. Opens tonight (Lansburgh 202-393 2700)
- Rollin: a tribute to the period of black vaudeville, with stories, songs, dances and sketches from works by Langston Hughes and others. Till Dec 18 (Source 202-462 1073)
- Lips Together, Teeth Apart: Terrence McNally's play about two couples who share a Fourth of July weekend on Fire Island. Till Dec 5 (Studio 202-332 3300)

ZURICH

Opernhaus Tonight and Sat: Fedora with Agnes Baltsa. Tomorrow and Fri: Bernd Bienert's new production of Glazunov's ballet Raymonda (01-262 0909)

Tonhalle Tomorrow: Heinz Holliger conducts Tonhalle Orchestra in works by Schubert, Berg, Bach and Bartok, with soloists Andras Schiff and Yuuko Shiokawa. Thurs: Melos Quartet plays Mozart, Berg and Dvorak. Fri: Edmond de Stoutz conducts Zurich Chamber Orchestra in Mendelssohn and Schumann, with piano soloist Mzia Simonishvili (01-261 1600)

ARTS GUIDE

Monday: Berlin, New York and Paris.
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

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Sky News: Financial Times Reports 0530
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Sunday Super Channel: West of Moscow 1830
Super Channel: Financial Times Reports 1900
Sky News: West of Moscow 0230; 0530
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Joe Rogaly

Just say No to the pros

Professionals must be slapped about a bit from time to time. Whenever we consumers neglect this solemn duty, our lawyers, doctors, accountants, architects, engineers, chemists and so on become idle, complacent and greedy. They bury their mistakes and, too often, one of us.

I learned how to handle such predatory beasts early in life, after returning a solicitor's invoice with the words "Are you joking?" scrawled at the foot of the page, near the total. A few weeks' silence ensued. Eventually the bill came back, halved. Everyone should try this. Go on. Question a professional's fee this very morning. What can you lose? Or try going elsewhere. You may have much to gain. Based on years of experience, my first port of call is a "designer" rather than an architect, a computer program rather than an accountant and anyone rather than a lawyer.

This may not be the tone expected by the Royal Institute of British Architects, which gave me a seat, lunch and coffee at its seminar on professionalism last week. The purpose was evidently to make the point that the professions are in "crisis" and that a bit more respect for them would not only be beneficial to all mankind; it would bathe the earth-mother Gaia herself in a roseate glow. Several speakers, many from the audience, supported this view. The enemy was quickly identified. It is that old devil the free market. Thatcherism, it seems, destroys the professional ethic. People who follow a vocation cannot be expected to sully their hands with commerce.

There may be something, although not much, in this. Professor Harold Perkin, author of *The Rise of Professional Society: England since 1880*, gave as a foundation text the following passage from Adam Smith: "We trust our health to the physician; our fortune and sometimes our life and reputation to the lawyer and attorney. Such confidence could not safely be reposed in people of a very mean or low condition. Their reward must be such, therefore, as may give them that rank in society which so important a trust requires." Trust is the word. Professor Perkin, who teaches at Northwestern University, Evanston, Illinois, reminded us that when you purchase the services of a professional the familiar *caveat emptor*, let the buyer beware, becomes, *credat emptor*, let the buyer believe. What? Believe accountants, not enough of whom are in jail, or doctors, who cover up lethal mistakes made by their fellow practitioners, or lawyers, who practise only to deceive? Well, yes. At the end of the day we have little option.

This point was made by Mr Michael Burrage, who lectures at the London School of Economics. He has studied the French, Russian and American revolutions, noting that in each case the professions were destroyed by the new regimes. For a while it was possible to practise law or medicine without any training or qualification, or reference to any rules or set of ethics. The inevitable re-invention of professional associations was not initiated by self-interested professionals, but by the state and public opinion. The re-establishment of the French legal profession was begun by the Jacobin Club when in 1792 it established a "Committee of Official Defenders of the Friends of Liberty and Equality". Even Stalin revived the old Russian colleges of advocates. In the US the state governments, spurred by private foundations and the press, sought to reconstitute the medical profession. Legislation to control legal practice came from the west before there were any bar associations.

Associations that accept commercial reality while maintaining a moral purpose are most likely to survive

The two ancient professions may survive, but what of the 40 other professional bodies recognised under English law in the 19th century, or the further 120 that have sprung up in the 20th? They cannot all justify self-regulation, barriers to entry, and try-on pricing. According to Sir Gordon Borrie, this was recognised in the late 1970s, when the Monopolies and Mergers Commission tackled restrictions on advertising by accountants and solicitors and fee-rigging by architects. Sir Gordon, who was director-general of Fair Trading from 1976 until last year, smashed the opticians' hold on their trade in 1982. He sees the OFT report of that year as a turning point in attitudes to professionalism. The ending of the solicitors' monopoly over conveyancing was a subsequent triumph.

Yet the professions have not been obliterated. The BMA is still with us, fighting a rear-guard action against every change, however progressive. Doctors have long resisted handing simple functions, like renewing prescriptions, over to nurses. The lawyers have fought Lord Mackay, the would-be liberaliser of their trade, to a standstill. The top civil servants remain to be tamed: we shall see how they dispose of open competitive advertising for their jobs. Mystique, a hold on the nuts and bolts of procedure, gives them powers beyond reason.

Against that, the Treasury has done more to unnerve Britain's professions than any MMC or OFT report. Academics can no longer rely on tenure: they must accept short-term contracts and often have to find their own sponsors to fund them. The National Health Service is a wondrous mechanism for keeping down the remuneration of doctors and nurses. It has now become the state's instrument for placing managerial overlords above professional medical staff. The accountants reign supreme in public services. Legal aid is squeezed. The recession, combined with compulsory competitive tendering, has created a new tribe of formerly-employed architects. Teachers, under the government's latest bill to control their training, may be wholly de-professionalised. Expect untutored young trainees to stand before the blackboards. They are cheaper than the professionals they will replace.

This is a pity. Provided that they behave themselves, professional societies could be a better safeguard against malpractice than either regulation by the state or the power of the market. As Professor Perkin points out, in post-industrial society, where knowledge is the principal factor of production, professional skills have become more valuable. Purist proponents of the market will say that where there is transparency consumers will judge which practitioners are safest, or who gives best value. In some instances this is surely correct. When the government gets the mechanics right, testing and league tables may help parents to judge where the best teachers can be found. But only doctors can detect mistakes made by their colleagues. The trick is to insist that they expel bad practitioners. Solicitors, who apparently have to be serial embezzlers to get a slap on the wrist from their peers, should be struck off or fined for bad service. If teachers want to be professionals, they must take similar medicine.

Some professions are learning the lesson. Rabbi Julia Neuberger told us that the first 10 days of the course at Harvard Business School is spent on ethics. There is similar insistence in the law and education schools. In the medical school "values education" is paramount. This makes sense. Without an ethos, special knowledge alone is not enough to justify the benefits of professional exclusivity. As Sir Gordon intimates, associations that accept commercial reality while maintaining a moral purpose are most likely to survive.

There is a good reason why they should. The disaggregation of society, its breakdown into self-seeking individuals linked only by cash transactions, is troubling many in the West, notably in Britain where it seems likely to go furthest. However minimalist a state may become, it is better kept in check if it is not the only source of civic authority. Reformed professional associations could be advocates of the public interest. We will have to keep slapping them about until they get the message.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Thorp: surplus in dispute

From Mr Llew Smith MEP.

Sir, As a member of the European Parliament's energy committee and rapporteur on two reports on Sellafield and Safeguards (1988) and Sellafield Reprocessing and Nuclear Transport (1993) for the parliament, I would like to comment on the full page advertisement you printed (November 16) from the chairmen of 10 Japanese electricity utilities with contracts for reprocessing of their irradiated nuclear fuel at the Thorp plant at Sellafield.

There is insufficient space to correct all of their misrepresentations on nuclear waste management, plutonium demand and the safety standards for nuclear transport adopted by British Nuclear Fuels (BNFL). I do think, though, that it is important specifically to address the myopic assertion that "all nuclear material from Thorp, including plutonium, would be strictly controlled by the British government, Euratom and the International Atomic Energy Agency in the United Kingdom and by the Japanese Government and IAEA in Japan".

In my 1988 report on nuclear safeguards at Sellafield it was demonstrated that the UK had deliberately excluded safeguards inspectors from Sellafield's most sensitive areas for 13 years from 1973. It has since been claimed that the safeguards regime is now more transparent at Sellafield. In BNFL's own submission to the second consultation period on Thorp over the summer, it claims that "Euratom safeguards inspectors have been given access to verify all aspects of the Thorp design".

This claim is purportedly based on a paper prepared by three BNFL and five Euratom experts. I have asked BNFL for a copy of this paper on at least three occasions over the summer and it has yet to send it.

In the European Parliament's call for the 1994 Euratom safeguards budget to be increased by Ecu 12,980m to cover large-scale plutonium processing plants, it explains that "plutonium stocks in the Community have almost doubled from 151 tonnes in the four years since 1988".

Further separation of at least 50 tonnes of plutonium in Thorp over its first 10 years of operation, much of which is destined to be returned to overseas customers, will further exacerbate the problem.

The recent concerns expressed by members of the US Congress, Japanese Diet, the European Parliament and the Rand Corporation study released on 17 November, about plutonium proliferation, present a powerful protest against Thorp.

Llew Smith,
MEP for South East Wales,
21 Beaufort Street,
Brynmawr,
Gwent NP3 4AQ

From Mr William Walker.

Sir, Mr Yasutaka Moriguchi of the Science and Technology Agency's Atomic Energy Bureau says (Letters, November 15) "the prospect that Japan will have no surplus of plutonium, including that from Thorp, is strictly maintained". He cites figures of plutonium supply and demand contained in the Atomic Energy Commission's report of August 1991 on nuclear fuel cycling in Japan.

Unfortunately, the demand estimates in this report are no longer regarded as credible inside or outside Japan. They imply that, between 1991 and 2010, 10-20 tonnes of plutonium will be consumed in fast reactors. But the Monju reactor is having teething troubles; and no site has yet been found for the larger Demonstration Fast Breeder Reactor. They imply that close to 10 tonnes will be consumed in the Demonstration Advanced Thermal Reactor, construction of which has not yet begun and for which the utilities have little enthusiasm. And they imply that 50 tonnes of plutonium will be used to fuel conventional thermal reactors, when utilities have serious qualms about the political and operational viability of this programme, and when total consumption to date has been 44 kilograms in fuel assemblies tested in the Mihama and Tsuruga reactors.

John Major can still opt for prudence and sanity. Instead of turning on Thorp's plutonium spigot and hoping for the best, he can engage in some enlightened market testing

My assessment (Letters, November 11) that Japanese plutonium surpluses could approach 20 tonnes by the year 2000 and 40 tonnes by 2010 if current reprocessing plans are implemented may therefore be conservative. But if Mr Moriguchi is correct and no Japanese surpluses are in prospect, why did Mr Kaneko (November 8) decide to draw attention to the need to store Japan's plutonium "for some time" at Sellafield? Do their statements become compatible if a distinction is drawn between Japan's plutonium surplus and the surplus located in Japan, the idea now being to keep the latter to a minimum by holding the former in Britain and France?

William Walker,
director of research,
Science Policy Research Unit,
University of Sussex, Brighton

From Mr Paul Leventhal.

Sir, Surely, the debate over whether to switch on Thorp has entered the theatre of the absurd. It is now clear that plutonium would be produced at Thorp in quantities far exceeding the capacity or the willingness of electrical utilities to consume it (Letters November 8, 11 and 15). No matter! BNFL continues to press the government for permission to operate Thorp, arguing it can make a profit by holding utilities to reprocessing contracts negotiated at a time when uranium seemed to be scarce and plutonium the only way to keep electricity-generating reactors running.

Now that non-weapons-usable uranium fuel is clearly in ample supply, is there no way to avoid switching on Thorp and compounding the plutonium danger?

Britain's prime minister, John Major, can still opt for prudence and sanity. Instead of

turning on Thorp's plutonium spigot and hoping for the best, he can engage in some enlightened market testing. At Sellafield, there are already more than 30 tons of plutonium extracted from the spent fuel of reactors operated by British nuclear utilities. Since these reactors are not technically suited for recycling plutonium, why not offer it to BNFL's utility customers in Japan and Germany to test the true demand for plutonium before reaching a decision on Thorp? At this point, they seem to support the start-up of Thorp so long as the resulting plutonium and radioactive wastes remain in Britain.

The likely result of market testing will be *no* demand for plutonium in commercial power reactors (they run on uranium), *very little demand* for plutonium in R&D activities, and a *very large* demand (and large fees) for continued storage of spent fuel at Thorp until permanent repositories can be opened to dispose of the unreprocessed fuel in the countries of origin.

Paul Leventhal,
president,
Nuclear Control Institute,
1000 Connecticut Avenue, NW,
Washington DC 20036

From Mr Tadatoshi Akiba.

Sir, As a member of the Japanese Diet from Hiroshima, I am particularly concerned about the wisdom of proceeding with reprocessing at Thorp. I thank my counterparts in the British parliament for answering my and my colleagues' open letter to them by submitting a motion in the House of Commons stating that it is a matter of urgency that our two governments "negotiate an acceptable outcome to prevent the production of surplus plutonium" at Thorp.

I would like to clarify that our open letter (the number of Diet members signing has now increased to 18) does not dispute the Japanese and British governments' policies. Rather, we are asking them to explain logically why there are so many contradictions regarding this issue if their figures and assessments are indeed reliable.

Japanese plutonium is already in surplus even without Thorp. The Science and Technology Agency, responding to my request, released on October 1 the most comprehensive information to date on current stocks, showing it at 4,530 kgs. Nearly three tonnes of this belongs to the electric utilities with no concrete plans to implement its use.

Japan's policy of having fuel reprocessed abroad is very much a waste disposal policy. Because of Japan's experience with Hiroshima and Nagasaki, people rightly fear the effects of radiation. Siting of new nuclear power plants takes an average of 24 years. Nuclear waste disposal sites are wanted even less. To have been able to ship in excess of 5,000 tonnes of nuclear spent fuel to the UK and France for reprocessing has been a blessing to the Japanese nuclear industry. Japanese utilities remain silent about the fact that all waste produced after reprocessing at Thorp is due to return to Japan. Ethical Japanese will be obliged to inform you that there are no plans whatsoever for re-accommodating the low and intermediate level waste generated by reprocessing at Thorp. BNFL argues that this waste will be "substituted" for high level waste, but this scheme is not in place. Also, our government has never admitted such proposals are being discussed.

Both the Japanese and British governments are ignoring important realities. Good politics as well as good science must start from looking at realities as they are. Members of the Japanese Diet as well as the British parliament, therefore, have a duty to awaken our two governments to objective facts so that they would negotiate on Thorp.

Tadatoshi Akiba,
Member, House of Representatives,
Japanese Diet,
Tokyo, Japan

Fibre losers in Uruguay Round

From Mr Peter Madden.

Sir, The contention that "Clinton got his [Nafta] backing at a bargain price" (November 19) ignores massive potential costs for developing countries.

Clinton's vow to extend the phase-out of textile quotas must put in question the US's willingness to submit to General Agreement on Tariffs and Trade disciplines and to share some of the gains from the Uruguay Round with the Third World.

Textiles and clothing account for about a quarter of the total manufactured exports of developing countries. For nearly 20 years the Multi-Fibre Arrangement (MFA) has discriminated against this vital sector.

Almost all developing countries' gains from the Uruguay Round come from the ending of the MFA. Without a good textile agreement, much of the Third World is likely to face net losses.

The current Uruguay Round text is already problematic. The MFA phase-out happens over 10 years, with most of the benefits coming at the end, and northern countries will be allowed to apply "safeguards" for another eight years. To extend this time period still further is unacceptable. To give way to protectionist lobbies now puts in question the willingness of the US to reduce protectionism in 10 years' time.

Without a fast timetable for MFA reform the Uruguay Round package does not look attractive to developing countries.

Peter Madden,
policy adviser,
Christian Aid,
PO Box 100,
London SE1 7RT

A fragrant, but complex, monopoly

From Diana Guy.

Sir, Both your leader writer ("Perfume cartel", November 12) and, indeed, your legal correspondent ("Whiff of controversy hangs in the air", November 16) appear to be under the impression that a "complex monopoly" and a cartel are the same thing. In fact, under the admittedly rather convoluted provisions of the Fair Trading Act 1973, unless the Monopolies and Mergers Commission finds that there is a "monopoly situation" (a technical term defined in ss.6 to 8 of the Act), it has no jurisdiction at all to pursue an investigation under the monopoly provisions of the Act.

In a simple case, there will be a "monopoly situation" if one person has 25 per cent or more of the market; however, there will also be a "monopoly situation" if two or more companies together have 25 per cent or more of the market and they all "conduct their respective affairs" in a similar fashion. In the latter situation, there is a so-called "complex monopoly".

In the recent inquiry into fine fragrances, it was clear from the outset that the MMC would almost certainly conclude that there was a "complex monopoly" as all the suppliers of fine fragrances operated some form of selective distribution. Indeed, many of the perfume houses, including Parfums Givenchy which I represented, made no serious attempt to argue the contrary view before the MMC.

On the other hand, we argued very vigorously indeed that the "complex monopoly" did not operate in any way against the public interest. After an extremely thorough investigation which extended over a period of nine months and which involved consideration of evidence from many different sources, not just the perfume houses, the MMC concluded that it was indeed the case that nothing which it had found was against the public interest.

Superdrug and others had, of course, mounted a very effective campaign in the press and elsewhere in support of the contrary view. It is perhaps only to be expected, therefore, that when the MMC's findings failed to match the expectations fuelled by that campaign, it came as a surprise to many people.

Diana Guy,
partner,
Theodore Goddard,
business and finance lawyers,
150 Aldersgate Street,
London EC1A 4EJ

Education: mixed ability assessment must be fair

From Mr Peter Brown.

Sir, As we have advised parents for many years and are increasingly being consulted by companies on the educational options best suited to their families, we are acutely aware of the A-level league table dilemma highlighted by Peter Gallie, headmaster of the John Taylor High School (Letters, November 15).

With about 35 per cent of students changing institute or school at 16, some schools may aim to improve their A-level ratings by rejecting entries from marginal students or insisting that they enter as private candidates. It is for this reason that the Conference of Independent Further Education has asked us to audit all their members' A-level returns before they are released to the press and potential students.

The government has made an important contribution to raising standards by insisting on a core curriculum and the publication of exam results. The next essential stage is the measurement of added value so that schools that are good with mixed ability pupils are assessed fairly.

This could be achieved through changes in the brief of school inspectors and we, like other independent organisations, are considering bidding for inspection contracts if we can be sure that academic and traditional achievement criteria, rather than politically correct standards, are the ones being inspected and assessed.

Peter Brown,
chairman,
Gabbitas Educational Consultants,
Broughton House,
6-8 Sackville Street,
Piccadilly, London W1X 2BR

A familiar comment on the welfare state

From Ms Mary Campbell.

Sir, "Joe Rogaly is right to call for a new Beveridge Report," writes Frank Field. "The overall effect of our present welfare state is unsatisfactory not only because many benefits are paid at a relatively low level but because its provisions trap into poverty an increasing number of people..."

The date of this letter to the FT was September 20 1976: I found it when clearing a floor for new carpets to be laid.

Plus ça change.

Mary Campbell,
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London N5 2QD

FINANCIAL TIMES

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Tuesday November 23 1993

Italy's tide of protest

If Italy's post-war political system has been a knotted ball of intricately-woven string, then Sunday was the day when it finally unravelled. Municipal elections to select mayors in 428 cities completed the political demolition of the long-ruling Christian Democrat party. Still more strongly than in the referendum on electoral reform in April and the municipal polls in June, the vote showed the unstoppable momentum of protest against the country's scandal-tainted mainstream parties.

The swing to the ex-communist Democratic Party of the Left (PDS) and the neo-Fascist MSI party, coupled with the fresh momentum behind Mr Umberto Bossi's Northern League, led yesterday to sharp falls on Italian financial markets. The result was, however, hardly unexpected, in view of the widespread discrediting of the political apparatus during the past two years.

The established parties are passing through inevitable catharsis, as part of more general change. After the progress already made during the past year towards political and economic reform, there is room for hope – although not yet conclusive evidence – that a new system will emerge, stronger, more stable and less self-serving than before.

If Sunday's result were repeated in the general elections expected in early 1994, the four parties behind the coalition government of Mr Carlo Azeglio Ciampi would gain no more than 15 per cent of the vote. The aim of electoral reform, which will introduce a largely majority voting system for the next election, is to produce a more coherent and stable constellation of parties better able to modernise Italy's industrial and administrative structure and regain public confidence.

Chief anxiety

In contrast, the chief anxiety on the financial markets yesterday was that the next parliament could be dominated by untried political groups united only by their tendencies towards populist extremism and (in the case of the Northern League) separatism. There is also concern that the setback for the government parties could complicate still further Mr Ciampi's task of steering his tough 1994 budget through parliament. Two senior ministers have already said they will resign if the budget is not passed by the end-year deadline.

These fears cannot be lightly disregarded, but the risks should not be exaggerated. The swing to the neo-fascists in southern Italy was far more a signal of rejection of the Christian Democrats than a revival of a Mussolini-type movement. The dictator's photogenic granddaughter, standing in Naples, indeed, did less well than expected.

Principal victor

The principal victor on Sunday, the PDS, has shown it can run successful local alliances with parties such as the Greens and Radicals. Although the ex-communist party's economic policies, in particular, need much sharper definiton, it is on the way towards becoming the main standard-bearer of Italian social democracy.

Benefiting from a clear lead over the Christian Democrats in reorganising its structure and its leadership, the PDS has yet to face the force of a reconstructed party of the centre, which could still emerge under Mr Mario Segni, the ex-Christian Democrat head of the April referendum movement. But there is no reason why a PDS-led government next year would produce policies fundamentally different from those undertaken by Mr Ciampi.

No party likely to take power next year seems disposed to reverse the process of reforming wage legislation, restructuring the civil service and welfare spending, and reshaping the budget. The PDS, for instance, would be unlikely to halt the privatisation programme or reintroduce the *scala mobile* system of wage indexation dismantled in 1992.

Whatever government is in charge will face an arduous agenda. Precisely because the challenges are so large and so evident, they cannot however be avoided. For 45 post-war years, the rules of the Italian political system were geared to keeping the Communist party out of office. Now that the old system has collapsed under its own disrepute, it would be a cause of neither surprise nor alarm if that party's successor became the first to take power under the new one.

The future of the forests

Following the flak caused by railway privatisation and the decision to shirk postal privatisation, the UK government might be thought mad to be considering privatising forests. Ministers' and MPs' postbags are already bulging with hostile letters, even though a decision on whether to privatise is still far away.

The essential problem is that the Forestry Commission, whose woods cover 5 per cent of the country's surface area and provide 14 per cent of its timber needs, does more than saw logs. It affords exercise for ramblers, facilities for holiday-makers and habitats for birds. The forests can also look good, though many of the commission's monotonous sitka spruce plantations are eyesores.

These non-timber benefits cannot always be commercialised. It is, for example, impossible to impose "hotel charges" on nightjars or red kites. Devising a toll system for ramblers would also be tricky. The fear is that private owners would neglect the non-timber aspects of forestry, since they would be unable to earn profits from them. People might be stopped from roaming through the woods and birds' breeding grounds destroyed.

But forest privatisation is not quite the crack-pot idea it seems on first sight. It could help convert the Commission, which has been a constant drain on the public purse during its 75 years of existence, into a dynamic enterprise. Privatisation would also bring into the open the costs of meeting environmental objectives, which are currently hidden by opaque accounting practices.

Recreational potential

The scope for a more commercial approach is great. The commission's bureaucratic culture has been blamed for high costs by comparison with private-sector foresters. Recently it was criticised by the National Audit Office for prematurely felling trees, so foregoing £11m a year in revenue. It has also failed to make the most of its recreational potential, cutting the number of log cabins during the 1980s despite growing demand and high profitability.

Privatisation would, of course, need to protect those interests which might be neglected by the narrow pursuit of profits. This could be achieved through a mixture of regulation and financial incentives. Ramblers could be protected by a "right to roam" in privatisation contracts. Natural habitats could be preserved by paying private owners to maintain sites of special interest, just as some farmers do. And ancient woodlands such as the New Forest, whose non-timber benefits dwarf their timber potential, could be transfered to a national forest parks authority.

Public money

Critics say such an approach would not work. It would be impossible to write regulations that were sufficiently flexible to meet all environmental concerns. They also fear that, once the profitable parts of the estate were sold, the government would be unwilling to find cash to support loss-making forest parks or bribe the private sector to stay green.

Privatisation would certainly make the costs of providing environmental benefits transparent, so allowing a proper discussion of whether the public is getting value for money. In some cases, it might be obvious that money was being wasted. But, in others, the fact that environmental advantages of forestry were more clearly identified could lead to a justified demand for more public money.

Devising a proper structure of regulation and incentives will not be easy. It would therefore be best to go first for a half-way house under which the commercial and regulatory aspects of the Forestry Commission were fully separated. This would build on a partial division of the commission into a Forest Enterprise and Forest Authority, which came into effect last year. But it would go further in that the enterprise would acquire a corporate structure and be subject to the same rules as private forest owners.

This would provide time to debug the regulatory structure and put the enterprise's accounts into shape. Once this had been done, ministers would be free to consider wholesale or partial privatisation. By offering shareholders incentives such as discounts on log cabin holidays, privatisation might even be seen as a small triumph of popular capitalism.

High hopes for the seamy side of life

Michael Smith examines the prospects for the shape and size of the UK coal industry after privatisation

Five years after promising what it called the ultimate privatisation, the sale of the coal industry, the UK government is ready to deliver. After last year's false start, when its plans were delayed by a public outcry over pit closures, ministers are determined to end the state's 46-year ownership of coal.

A bill will be presented to parliament shortly, possibly this week, and what remains of British Coal should be in private hands by early 1995 at the latest.

What, then, will be the size, shape and ownership of the industry in the second half of the decade? And how vulnerable will the government be in parliament over such issues as miners' pensions, regulation and safety. Arguments over protecting workers' pensions caused the government considerable difficulties in its railway privatisation bill this autumn. The scope for similar ructions in the coal sell-off were highlighted recently when the trustees of the mineworkers' £7.5bn pension scheme identified 17 "areas of concern" over government proposals. They want to "ensure that the real value of benefits continues to be protected" against increases in the cost of living.

Further controversy could be stirred by the government's plans for a Coal Authority to supervise the licensing of privatised mines. Conflict is expected over the authority's role in deciding whether to grant licences. Will it examine companies' safety records or just look at the highest bids? The government is sensitive to Labour party charges that pit safety has been compromised in the drive for efficiency.

Despite such potential embarrassments for the government in the parliamentary debate over privatisation, few observers expect the sell-off to be sunk. The structure of the industry will be shaped not through debates in Westminster but through government talks with the would-be buyers of British Coal.

Ministers have decided to offer British Coal for sale as five separate regions – Scotland, the north-east, Yorkshire, the Midlands and Wales. But they argue that their priority is to let the market decide the shape of the industry. Companies will have to bid for every pit and opencast site in the region of their choice. The government has chosen this method because in theory it opens the industry up to competition. However, it leaves open the possibility that one company could bid for all regions successfully and thus recreate a single entity.

British Coal fears that fragmentation would lead to cut-throat rivalry within the industry at a time when competition from other energy sources including gas and nuclear power and from imported coal will be intense.

"If the government splits up coal, then it really will kill it," says one British Coal executive.

Mr Colin MacLeod, chairman of Caledonian Mining, a mining equipment manufacturer which is a potential bidder, has similar fears. "The industry will be beaten into the ground through competition if British Coal is broken up," he says. Mr MacLeod adds that he is interested in being part of a consortium to buy and manage British Coal, but if it is broken up he would "only want a couple of mines".

Similarly, the British Association of Colliery Management, which represents middle and senior managers, hopes to co-ordinate a series of regional buy-outs on behalf of members, with the aim of combining them into a single company.

Mr Tim Eggar, energy minister, has not ruled out the possibility of a single organisation emerging after the bidding process, but he and other ministers are thought to favour the split into separate regions. Their thinking has been influenced by criticism over previous utility privatisations that over-powerful monopolies or duopolies have been created in the gas and electricity sectors.

Offering the business for sale in five regions is the most likely way of attracting a significant number of buyers, Mr Eggar believes. By splitting up the sale, the government has responded to emerging companies such as RJB Mining, based in Nottinghamshire and recently floated on the Stock Exchange, and Ryan International, with interests in Wales and the north-east of England, which might be interested in bidding.

The government has also increased the chances of the Union of Democratic Mineworkers having some stake in the industry. For instance, the UDM might be able to launch a management buy-out for the Nottinghamshire mines. Such a consideration is important because many ministers believe the government owes a debt to the union for keeping mines open during the 1984-85 strike.

Regional privatisation also offers buy-out possibilities to British Coal managers at positions lower than board level. In selling off the company, the government is anxious to avoid a simple transfer of the organisation to the private sector with its structures and management intact. It believes fresh managers are needed but is keen to encourage the second tier of British Coal management to join the bidding.

The recent contraction in the industry has contributed to the exodus by many disillusioned executives and managers, but there is still enthusiasm among some for the sell-off. Mr Bryan Riddleston, British Coal's opencast director in Wales, is among those who might bid for the region in which he works. When he talks about anthracite, a naturally smokeless fuel mined in Wales, he refers to it as "black diamonds".

"It is what everyone wants to get their hands on at privatisation," he says. "It is the best anthracite in the world. The management here (in Wales opencast) all want to be involved in the business after privatisation, although it is too early too early to say whether we will want to be employees or running the business." He says, however, that he wants to see how the government will assess responsibility for any future claims arising, for example, from subsidence.

If he is satisfied that he will not be saddled with enormous liabilities, then, like all other bidders, he will look closely at the future market for coal. There is little cause for cheer, particularly after 1998 when contracts with the UK's two electricity generators end. Caminus Energy, the UK consultancy, suggested in a report to the government this year that the total annual sales for British Coal's successors in England and Wales could be as low as 23m tonnes or as high as 54m.

The lower figure would inevitably lead to further pit closures above British Coal's current rationalisation programme, which is likely to leave only 12 to 15 pits out of about 30 still in operation. Caminus's gloomier forecast would result in perhaps just half a dozen working pits.

Given such uncertainty, why would mining companies want to bid for any of the regions?

The answer is that some in the industry believe Caminus's higher forecast may be attainable and even beatable. In the short term, there is also scope for considerable profit in each region. In Scotland, where British Coal has just signed a five-year agreement with Scottish Power to supply 2m tonnes of coal for £400m, there is also some medium-term certainty.

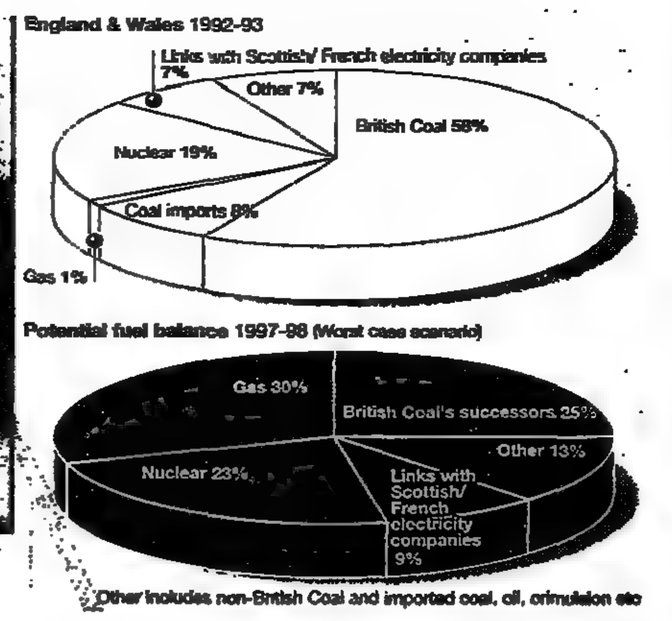
Like the Wales and north-east regions, the Scotland package will contain considerable amounts of opencast, which is much cheaper to mine than deep coal. On the other hand, Yorkshire and the Midlands are attractive because they are likely to contain all but perhaps three of the 12 to 15 remaining deep mines which provide the lion's share of coal to the generators, whose power stations are concentrated in those regions.

All five regions should have contracts with the generators, ensuring their value to potential investors. "Some may turn out to be short-term businesses but they can still make a lot of money over three years," says Mr Dieter Helm, director of the consultancy, Oxford Economic Research Association.

The government may thus find that its coal sell-off proceeds more smoothly than some observers have anticipated. The big question remains what British Coal's successors will do with the pits after the electricity contracts terminate in 1998. If markets in the UK continue to contract, the likelihood is another big round of mine closures. Then, privatisation will be seen as nothing more than a prelude to the slow death of an industry rather than the regeneration the government says it intends.

Electricity supply fuel balance: UK rivals in the power game

Timothy Eggar
UK energy minister



Other includes non-British Coal and imported coal, oil, orimulsion etc

Source: British Coal

Price fixers need a dose of disclosure

PERSONAL VIEW

Central bankers are the biggest price fixers of all. Day by day they conduct huge operations in the money markets to hold short-term interest rates close to their chosen peg. The top fixer, the US Federal Reserve, has held the key overnight rate at its peg of 3 per cent for more than a year. At least the Federal Reserve is the most accountable among central banks for its actions. The next biggest fixer, the Bundesbank, meets only the lowest standards of accountability. In view of the international importance of its policy actions, these standards need urgently to be improved.

The discretionary power now wielded by central banks – either independently or as agents of the finance ministry – in the choice and defence of interest rate pegs is far greater than was historically the case. Under the gold standard, rates floated in response to the scarcity or abundance of metallic reserves.

After the demise of the Bretton Woods system in 1971, discretion was limited – at least in the important cases of the Federal Reserve and Bundesbank – by the respect given to money supply targets.

Indeed, in the first decade of the floating D-Mark-dollar rate, from the mid-1970s to mid-1980s, the German and US central banks experimented by abandoning any attempt to peg money market rates even over short periods. The stimulus to this experimentation was a rapid acceleration of inflation. Important overnight rates were allowed to float as the central banks concentrated on hitting the target set for growth in monetary reserves. Once the inflation upsurge passed in the 1980s, experiment gave way to adjustments of interest rates, triggered by any significant deviation of the money supply from the central banks' medium-term targets.

The recent loss of respect for monetary targetry has increased central banks' rate-fixing power. Yet the accountability of the rate-fixers, essential for upholding both democratic principles and operating efficiency, is in general poor and in some cases virtually non-existent.

Accountability should not be confused with independence. The Bundesbank is renowned for its independence from government. But the accountability of German monetary policy is near zero. Bundesbank council members give speeches and take questions at press conferences. But the minutes of the council's deliberations become public only after a 30-year lag. Further, they are so concisely edited as to leave out some of the detail in which market participants and monetary historians are keenly interested.

The recent loss of respect for monetary targetry has increased central banks' rate-fixing power

Bundesbank council members do not have to cope with questions from any parliamentary body. No freedom of information legislation applies whereby academic critics could sift through the record and examine Bundesbank efficiency in setting monetary policy.

Perhaps the biggest error in recent German monetary history was the Bundesbank's failure to raise its discount rate for nearly a year after the announcement of monetary union between East and West Germany in February 1990. Yet the reasoning behind this mistake has not been revealed to the public.

What was the attitude when Bundesbank officials, such as the current president, Mr Hans Tietmeyer, were promoted recently? If appointees such as Mr Tietmeyer had been obliged to undergo questioning by a Bundestag committee before confirmation, it would be a spur to good decision-making; and the public might have learnt more about another troubling episode – the raising of the discount rate in July 1992. As we now know, by then the German economy had slipped into recession.

The situation for US central bankers could not be more different. The Federal Reserve's misuse of power in 1990-91, when the key overnight rate was adjusted downwards at a glacially slow pace rather than being allowed to fall steeply at once, has been blamed for an unnecessary recession and the subsequent lack-lustre recovery.

Congressional discontent with the Federal Open Market Committee has come to the boil and tough new proposals for accountability are on the table, including full and immediate disclosure of discussions at policy-making meetings.

There can be little hope that the European Monetary Institute, likely to be firmly under the wing of the Bundesbank when it is set up in Frankfurt next year, will be a force for increased accountability. To mark a more promising beginning for the new era in European monetary policy-making, the Bundesbank should hang the words of Jeremy Bentham on the wall of its council meeting room: "Without publicity, no good is permanent."

Brendan Brown

The author is head of research, Mitsubishi Finance International

OBSERVER

What's your poison?

■ Here's a problem Agatha Christie never considered: how to get rid of a jar of strychnine – legally. It may not be an everyday problem, but the experience of a north London colleague who found such a jar in his fuse cupboard suggests there may be a need for a poisoner's charter.

The label gave instructions on poisoning moles written in 1964 by a former resident: mix with earthworms and use as bait. But on balance we'd rather have live children than dead moles.

However, the local chemist didn't want to touch it, and nor did the police, who weren't even concerned as to its whereabouts. The pharmacy at the Royal Free Hospital tried to find out who could handle it and rang back after an hour suggesting the Ministry of Agriculture. The man from the ministry wasn't interested and thought it was a job for Camden council's environmental health department. No luck there either. But how about the hazardous waste department of the London Waste Regulation Authority?

Preliminary investigations were not encouraging. An answerphone handled the inquiry. But when one of the staff of the few remnants of Ken Livingstone's GLC rang back service couldn't have been better. What's your poison, and how soon can we collect it?

Is Citizen Ken's Charter working better than William Waldegrave's?

Dinner date

■ Michael Heseltine – secretary of state for trade and industry – intended using tonight's annual dinner of the Institute of Directors to set out the government's stall for small businessmen.

But the Institute had to point out tactfully that, actually, most of the businessmen attending come into the big category. The DTI has had to do a hasty rewrite job.

Troubled waters

■ Hard to know whether Bob Thian's abrupt ousting from North West Water says more about Thian himself or about the company's newish chairman Sir Desmond Pitcher. Both have pretty inflated opinions of themselves.

Thian, who joined at the beginning of 1990, prides himself on his international outlook, and, having spent most of his working life abroad, despises little Englanderism. Sir Desmond, angling for the job of Mr North West (region, as well as water) in his third age, recently observed that he was "a natural" for the chair of the region's largest company. Littlewoods staff remember him fondly as both a grandee and a bit of a meddler.

'I know exactly where I was on the day of Kennedy's assasination but I'm not telling

The company denies any personal spats, claiming that as it "matures" it needs someone with a less centralised, tight-reined approach. Let's hope the maturation process will include keeping the next chief executive a bit longer.

Over and out

■ So much for the Scandinavians' fabled ability to sink their differences when all around them seemed to be losing their tempers. When Jan Carlzon, the Swedish architect of the ill-fated Alcazar project, got up to put across his point of view at Sunday's press conference he was quickly shot down by a Danish superior.

The diplomatic incident between Carlzon, the former chief executive of Scandinavian Airline Systems, and SAS chairman Tage Andersen was triggered by a seemingly innocent query about what Carlzon planned to do next. "I am less worried about my own future than about the future of the four airlines," replied Carlzon.

This is the sort of statesmanlike statement one might expect from a big picture man like Carlzon but it clearly incensed Andersen, who turned an angry purple and retorted that the SAS board is "not worried about the future of SAS". Assembled newshounds were told that if they had any further questions about the future of the airline they could put them to the chairman and not to Carlzon.

Return to sender

■ Observer would love to be able to break the news that the secretive Rothschild group recorded an income of $3.3bn last year. But sadly that claim is as bogus as all the others contained in a prospectus that has turned up in Monaco and Zurich using the Rothschild name to solicit funds for investments in eastern Europe.

For instance, the document, inviting investors to part with their cash in exchange for "guaranteed" annual returns of 25 per cent from east European property, is covered in versions of the house emblem, the five arrows.

Allegedly chaired by Prince Rainier of Monaco, whose "signature" and photo adorn the president's statement, the fictitious board is not short of illustrious fellow directors – one Eisenberg Rothschild, obviously a long lost relation, is joined by a Quandt, allegedly part of the BMW family, and a von Bismarck.

A sharp solicitor's letter normally does the trick but no one knows who to send it to in this case, which explains why Barons Edmond and David de Rothschild and Sir Evelyn de Rothschild have had to resort to advertising across Europe to disassociate themselves from the rogues in the first place.

Summing up

■ Tricky moment at yesterday's Queens Moat Houses extraordinary general meeting. Chairman Stanley Metcalfe called for a show of hands to vote on the adjournment of the meeting, a thinly attended event. Advised by the adjudicator that seven votes were in favour and four against, Metcalfe announced the motion did not have the 50 per cent support it needed. He was quickly put right. But shareholders, facing massive dilution through a debt for equity swap, can hardly have been comforted by the chairman's display of mental arithmetic.

FINANCIAL TIMES
Tuesday November 23 1993

Delors in row with Clarke over work-sharing proposals for EU

By Lionel Barber in Brussels and David Goodhart in London

Mr Jacques Delors, president of the European Commission, last night clashed with Mr Kenneth Clarke, UK chancellor of the exchequer, over the principle of work sharing to combat the unemployment crisis in Europe.

Mr Delors accused Mr Clark of being "unconstructive" and rebutted the chancellor's charge that a short working week and job-sharing would lead to even higher unemployment.

At a meeting of EU finance ministers in Brussels, Mr Delors appealed for an openminded debate on how to save jobs and create new employment. He said "there are no miracle cures" but made clear he would resist efforts to water down his proposals ahead of next month's European summit in Brussels.

Although the majority of finance ministers agreed broadly with the Commission's analysis of why there are more than 17m people out of work in the EU, they voiced doubts about some of Mr Delors' prescriptions. These included reductions in employment taxes, work sharing and a general desire for lower short-term interest rates.

Mr Clarke delivered an outspoken attack on work-sharing as a means of saving jobs. This provoked an angry retort from Mr Delors who said: "There is always a question of winners and losers (for him). Why this obsession of Mr Clarke?"

The row between Mr Delors and Mr Clarke erupted after Mr Delors had submitted a 25-page summary of the white paper on competitiveness, growth and employment. The paper is expected to be the centrepiece of the December 10-11 meeting of heads of governments, but its proposals are non-binding and intended to be a framework for new policies.

German officials attacked the explicit notion that a 2-3 per cent cut in interest rates would speed a recovery on the grounds it could be seen as an attack on the Bundesbank. Other ministers are concerned cuts in employment costs might have to be financed through higher taxes such as VAT or anti-pollution levies.

Mr Clarke said 10 out of 12 ministers had raised objections to shorter working hours. These ideas were more likely to increase unemployment rather than save jobs, because they presumed there was a need to ration employment in Europe.

After hearing Mr Clarke's prediction that the white paper would require substantial revision ahead of the summit, Mr Delors accused Mr Clarke of ignoring work-sharing developments on the continent. The French government was discussing similar measures with trade unions and Volkswagen in Germany offered a "spectacular" example of combining shorter working hours with wage curbs.

A leaked copy of the employment section of the white paper stresses the central importance of work sharing in combating high unemployment and holds up the Netherlands as a model. It cites Commission figures on the apparent link between reducing hours and creating jobs. Between 1983 and 1991 the average hours worked per person per week in the EU fell by 3 per cent – just over one hour. But in the Netherlands the reduction was 13 per cent, an average of five hours a week.

The Netherlands experienced a rise in employment of 30 per cent "more than half of which seems to be attributable to the fall in average working time".

Shares fall sharply in response to gloomy economic indicators

Hopes fade for Japanese recovery

By William Dawkins in Tokyo

A fresh set of gloomy Japanese economic indicators yesterday coincided with the second biggest decline in share prices this year.

The 3.1 per cent fall in the Nikkei average, to its lowest since early March, came amid gathering gloom over the prospects for economic recovery and corporate earnings next year, although selling for technical reasons also played a part.

Economists across Tokyo are preparing to downgrade their forecasts for 1994, but are split over whether gross national product will stagnate or grow slightly, after stagnating or falling this year.

Disappointment that a recent government report on tax reform failed to set a date or amount for an income tax cut was a factor in yesterday's fall in share prices, analysts said. Mr Jiro Saito, vice-minister at the finance ministry, who attributed the fall to uncertainty over company profits, said the government would not take steps to support the market.

The Japanese economy's short-term prospects slipped into reverse in September after briefly touching the mid-point between growth and decline in August, the economic planning agency, the government's official forecaster, said yesterday.

Its latest monthly diffusion index of leading economic indicators, which measures the next six months' outlook, slipped to 38.4 on a scale of 100 in September. In August, the index hovered at 50. Within the index, the main components to switch from forward into reverse were job offers and sales of consumer durables. Corporate confidence continued to wither for the fifth month running.

Separately, the agency disclosed more evidence of the weakness of consumer demand, with a 1.7 per cent decline in household spending in real terms in September, compared with the same month last year, the fifth month of decline.

Meanwhile, wholesale and retail sales fell by 4.1 per cent year on year in the three months to September, the ministry of international trade and industry said. That is the seventh quarter of decline in a row, the longest fall in commercial sales for 20 years. These figures will increase pressure on a divided government to act over income tax.

Mr Tom Hill, strategist at S.G. Warburg Securities in Tokyo, said: "Everyone has written off this year's decline in the economy. The doubts now are about next year; there is a big split of opinion." S.G. Warburg is forecasting a 1 per cent increase in GNP for the next fiscal year.

Another factor in the stock market decline was investors' concern that industrial companies have not cut costs severely enough, Mr Peter Tasker, chief strategist at Kleinwort Benson, warned. "It is OK to hold a lot of surplus staff if there is a turnround. But if the recovery does not come, this becomes a serious drag on earnings."

Three German heavyweights join hands in telecoms arena

By Ariane Genillard in Bonn

Three of Germany's largest companies have forged an alliance to exploit the liberalising European telecommunications market.

Mannesmann, the engineering group, RWE, the energy-based conglomerate, and Deutsche Bank, the country's largest bank, said yesterday they had formed a consortium to offer telecoms networks to corporate clients in Germany, from next January. The services on offer will include voice telephony, data transmission and value-added services such as electronic mail.

The services are not yet available beyond individual corporate clients, because the public network is still run as a monopoly by state-owned Deutsche Telekom. But the move represents an important challenge to Deutsche Telekom which controls the public voice network in Germany. Its monopoly is due to be removed in 1998 when telecommunications are liberalised in the European Union.

The consortium, which requires approval by Brussels, is led by Mannesmann, which already operates a mobile telephone network in Germany and which will have 50 per cent of the new company. Deutsche Bank and RWE Energie will each own 25 per cent.

It will establish a client base which should be able to develop its own voice network to compete with Deutsche Telekom once telecoms are fully liberalised.

"This is showing that competition for basic voice services is already starting ahead of liberalisation", a spokesman for Deutsche Telekom said.

RWE, Mannesmann and Deutsche Bank also announced they would set up a second consortium to bid for a licence to operate a mobile network for data transmission. This consortium is led by RWE, which has long expressed its intention to diversify into the growing telecoms market.

It will also include Telia International, the Swedish group offering data services, and Cofira, which operates a mobile telephone network in France. The consortium will offer private clients the possibility to transmit data via a mobile network.

At the moment, only Modacom, a subsidiary of Deutsche Telekom, operates such a network.

KLM shares plummet as merger fails

Continued from Page 1

not survive in the long term on its own and did not want to be submerged in a junior partnership with a big airline.

One way forward, airline officials said, would be to extend the so-called European Quality Alliance established four years ago with Swissair and Austrian.

SAS must also seek a new chief executive. Mr Jan Carlzon, chief executive for 12 years, stepped aside in September and will not return to SAS now that Alcazar, of which he was a driving force, has failed.

His successor, Mr Jan Reinas, was named only as a stop-gap until Alcazar was completed.

● Moody's has put SAS under review for possible downgrade, affecting $1.2bn of long-term debt, currently rated A2.

THE LEX COLUMN

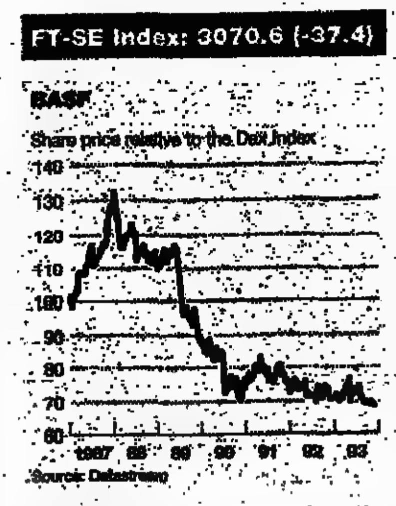
BASF's melting plastic

Miserable nine-month results from BASF and the prospect of another dividend cut are a reminder of how bad conditions in European chemicals have become. Since BASF went into the downturn with more than half its production in Germany and a strong bias towards petrochemicals – where the erosion of prices is worst – the cycle has been especially cruel. A meeting of European petrochemicals producers this week could help stop the rot.

An agreement to close ethylene capacity would help stabilise prices in plastics. The failure of similar efforts in steel is a reminder of the formidable political obstacles to closure, especially where state-owned producers are involved. One can only hope that the risks of not reaching an agreement are, in this case, enough to force a decision. With BASF's new Antwerp cracker poised to start production, there must be a risk of another downward lurch in prices unless action is taken.

If prices can be stabilised, cost-cutting should contribute to a modest bounce in profits next year. The stock market may by then have the scent of recovery. BASF outperformed the German market by 30 per cent during 1987, two years ahead of its last peak in profits. Even allowing for capacity reductions in Europe and good news on growth, though, the market's willingness to anticipate good news could be sorely tested. It is difficult to see the next profits peak coming until well into the second half of the decade.

FT-SE Index: 3070.6 (-37.4)



Lonrho

Lonrho lifted the veil a little further yesterday, though one suspects its restated accounts were motivated more by the obligation to comply with new accounting standards than crusading zeal on the part of its audit committee. At one level the changes are welcome. It is surely right to take into account the high inflation and depreciating currencies of developing countries where Lonrho trades. The pre-tax hit of £18m, though, also raises the question of how far profits have been flattered in previous years. Somewhat more unsettling is the restatement of profits under FRS3.

Net extraordinary items of £78m from disposals under the old system shrink to only £41m when they are moved above the line as exceptionals under FRS3. The difference is accounted for by the change whereby profits on disposals are no longer taken against cost but against the value at which the assets are carried in the books. There is an indication here of the extent to which assets have been revalued in the past to shore up the company's balance sheet.

This does not matter insofar as disposals have always been at a profit to book, though Lonrho conveniently wrote down the intangible value of its Scottish newspaper titles around the time they were sold. The precise gearing figure also matters less than ability to raise cash to service debt. The restated net loss from continuing operations of £18m after minorities is hardly encouraging in this respect. Mr Dieter Bock will have to look hard for the resources to take his revolution forward.

Blenheim Group

Blenheim Group has picked up a healthy dose of sceptical comment in recent years. With the market gun-shy about 1980s growth stocks it is not hard to see why. Blenheim expanded rapidly by acquisition and then wanted to "smooth" earnings by bringing forward profits on exhibitions yet to be held. It switched its year-end to give a 16-month reporting period, which made year-on-year comparisons difficult. It also raised £76m in convertible preference shares only to see profits forecasts downgraded three months later.

Such things happen, and much of the uncertainty is reflected in the company's share rating. Yet none of it will comfort those of a nervous disposition. The news that its chief executive, Mr Philip Soar, is standing aside to become director of planning and strategy is thus just one more thing to worry about. Staging exhibitions is an attractive business, which can generate substantial profits, but any idea that it is immune to the economic cycle is far-fetched. Blenheim's reliance on France and Germany means that the company faces tough markets for the next couple of years.

One of the most alluring features of the exhibition business is its strong cash flows, with customers paying up to a year before costs are incurred. The continuing cash outflow from Blenheim, albeit arising partly from acquisitions, will make the downturn that much more painful.

EMAP

The strong rise in advertising revenue at EMAP's consumer magazines and regional newspapers in the past few months must have had creative types twanging their red braces with excitement. It would be tempting to believe good times are back for advertising agencies and media stocks. EMAP's extravagant share rating certainly suggests as much.

But EMAP's experience is likely to prove particular rather than general, reflecting the focused readership its publications offer advertisers. Whether EMAP can sustain growth in circulation revenue by raising cover prices above the rate of inflation must remain its chief concern, however. Even if the chancellor refrains from slapping VAT on printed matter next week, it seems likely it will follow eventually. That will forestall further price rises. Yet EMAP has proved to be a canny operator. Further acquisitions and launches should keep it ticking along. The media sector as a whole is unlikely to prove as perky.

Markets

A number of local factors depressed equity markets yesterday: UK Budget worries, Italian elections, disappointing German money supply data and a crop of poor statistics from Japan. But the unifying feature remains the fear that rising bond yields will staunch the flow of US money. It is curious that equity markets should be so worried at the impact on interest rates of the still quite modest US growth prospects. On this perverse logic, they should be hoping for a fresh US downturn next year. Could the resulting liquidity flow really be the only way to sustain international markets at present bloated levels?

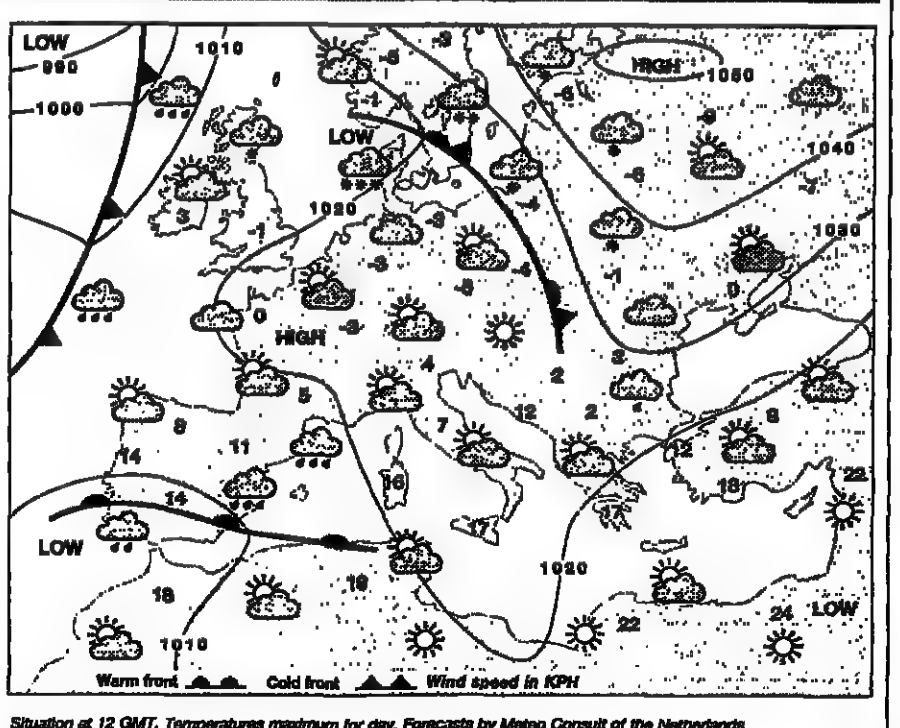
FT WORLD WEATHER

Europe today

Cold high pressure over northern Russia will continue to dominate, resulting in little change in conditions across the continent. Temperatures will moderate over eastern regions where afternoon temperatures will be above -10C. The heaviest snow is expected in Denmark and south-western Sweden. Accumulations in southern Scandinavia, including western Denmark, will reach 15-20cm. Lighter snow will occur over the Baltic States and Belarus. Low pressure near the Portuguese coast will produce showers which will spread along the east coast of Spain into south-eastern France. The rest of the Mediterranean seaboard will be dry with most of the sunshine over southern and central Italy. The British Isles will have variable cloud.

Five-day forecast

From Thursday, it will not be as cold over central and western Europe. Some patchy light precipitation is possible in Germany, the Low Countries, and parts of France which may produce icy roads on Thursday or Friday. The British Isles will gradually become warmer. Italy will be unsettled. Abundant sunshine will bring the mildest conditions to southern Spain where afternoon temperatures will be near 17C.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum		Belfast	fair	2	Cardiff	fair	0	Frankfurt	fair	-4	Malta	sun	18	Rio	sun	30
	Celsius		Belgrade	cloudy	1	Chicago	cloudy	11	Geneva	cloudy	1	Manchester	fair	1	Riyadh	sun	29
Abu Dhabi	sun	31	Berlin	fair	-4	Cologne	cloudy	-3	Gibraltar	shower	18	Manila	cloudy	30	Rome	fair	14
Accra	fair	32	Bermuda	rain	22	D' Salaam	fair	30	Glasgow	sun	1	Melbourne	fair	17	S. Frsco	shower	14
Algiers	fair	20	Bogota	thund	19	Dakar	sun	26	Hamburg	fair	-4	Mexico City	sun	19	Seoul	fair	0
Amsterdam	snow	-2	Bombay	fair	32	Dallas	sun	22	Helsinki	cloudy	-5	Miami	cloudy	27	Singapore	shower	30
Athens	shower	15	Brussels	cloudy	-4	Delhi	fair	27	Hong Kong	sun	18	Milan	cloudy	2	Stockholm	snow	1
B. Aires	sun	25	Budapest	fair	2	Dubai	sun	31	Honolulu	fair	28	Montreal	fair	3	Strasbourg	fair	-4
B.ham	fog	0	C.hagen	snow	0	Dublin	fair	3	Istanbul	cloudy	12	Moscow	cloudy	-8	Sydney	fair	21
Bangkok	cloudy	34	Cairo	sun	24	Dubrovnik	fair	15	Jersey	sleet	4	Munich	fair	-2	Tangier	shower	17
Barcelona	shower	13	Cape Town	fair	18	Edinburgh	cloudy	2	Karachi	sun	32	Nairobi	fair	25	Tel Aviv	sun	22
Beijing	sun	-1	Caracas	fair	28	Faro	shower	16	Kuwait	sun	28	Naples	fair	15	Tokyo	fair	15
									L. Angeles	fair	19	Nassau	fair	31	Toronto	cloudy	9
									Las Palmas	cloudy	21	New York	sun	16	Tunis	sun	18
									Lima	fair	24	Nice	fair	10	Vancouver	sun	5
									Lisbon	cloudy	13	Nicosia	fair	21	Venice	fair	6
									London	cloudy	-1	Oslo	snow	-1	Vienna	sun	0
									Lux.bourg	fair	-3	Paris	cloudy	-2	Warsaw	cloudy	-3
									Lyon	fair	5	Perth	sun	31	Washington	sun	17
									Madeira	shower	18	Prague	sun	-6	Wellington	fair	17
									Madrid	fair	10	Rangoon	sun	33	Winnipeg	sun	-10
									Majorca	cloudy	16	Reykjavik	rain	4	Zurich	fair	-2

FINANCIAL TIMES
COMPANIES & MARKETS

Tuesday November 23 1993

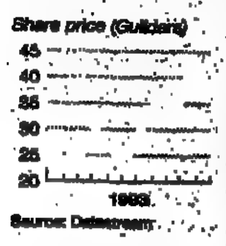
INSIDE

Toyota says it has bottomed out

Toyota, the leading Japanese carmaker, forecast yesterday that its earnings would "bottom out" in the current financial year to the end of June 1994. Page 23

Blenheim shifts management
Blenheim Group, the UK acquisitive international exhibition organiser which has seen its share price drop by more than 40 per cent this year, announced a management reshuffle. Page 22

Death of Alcazar hits shares



A wave of selling swept across European bourses, with failure of the Alcazar talks between four airlines – KLM, Swissair, SAS and Austrian – a talking point. Some dealers said KLM may have walked away from a deal at the last moment because of improved trading conditions since the talks started. Back Page

Japanese builders rock
The "tenants wanted" signs plastered on buildings around Tokyo and Osaka say much about the difficulties of Japan's construction companies. Page 25

Bombay SE faces competition
The Bombay stock exchange, India's largest share market, is bracing itself for competition. Its 128-year-old monopoly of stock trading in Bombay will end with the opening next year of a high-technology National Stock Exchange. Page 26

EMAP optimistic on ad revenue
EMAP, the UK publishing and exhibitions group, yesterday gave its most optimistic assessment of the UK advertising market for three years as it announced a 12 per cent increase in interim pre-tax profits to £16.6m ($24m). Page 28

Babcock loses £9m
Babcock International, the UK energy contracting, facilities management and materials handling group, announced a £9.2m ($13.7m) interim pre-tax loss and confirmed it would pass its interim dividend. Page 29

P&O and Swire in China move
P&O, the UK transport and construction group, and Swire Pacific, the Hong Kong property and aviation conglomerate, yesterday joined forces to invest HK$615m ($80m) in a southern Chinese container port. Page 30

Renault gives assurances on Volvo
Volvo made a final push to diffuse a shareholder revolt against its proposed merger with Renault by saying it had received new assurances from the French government on the most controversial aspects of the accord.

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Market Statistics

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Chief price changes yesterday

FRANKFURT (DM)			
Falls			
BMW	624	–	17
Beiersdorf	845	–	17
Commerzbank	356	–	11
Lufthansa	740	–	30
Linde	832	–	10½
Wella Prf	828	–	12
NEW YORK ($)			
Rises			
Intel	58	+	1½
Texas Insts	60¾	+	1
Falls			
Chrysler	52¼	–	1½
Ford	60⅛	–	1⅛
Gen Motors	53⅛	–	1
Microsoft	78⅝	–	1¼
PARIS (FFr)			
Rises			
Imetal	534	+	[illegible]
Sefimeg	522	+	7
Falls			
Accor	611	–	11
Bouygues	635	–	19
EBF	674	–	6
Geophysique	585	–	14
TOKYO (Yen)			
Rises			
Daishowa Paper	1180	+	100
Rohsei	410	+	45
Falls			
Japan Digital	3430	–	380
Kyowa Elec	522	–	63
Nissan Diesel	371	–	45
Sansui Elec	161	–	19

New York prices at 12.30.

LONDON (Pence)			
Rises			
Amstrad	42	+	2½
Channel Hldgs	49¾	+	2½
Flextech	286	+	19
Gardiner Grp	27½	+	2
Hampson Inds	50	+	5
Proudfoot	63	+	4
Renold	119	+	5
Simon Eng	79	+	[illegible]
Tadpole Tech	275	+	13
Falls			
Babcock Intl	26¾	–	2½
Euro Disney	402	–	13
Eurotunnel Uts	433	–	13
Granada	458	–	15
Guinness	451	–	15
Hiclare	43	–	5
Holliday Chems	174	–	51
Merrydown	223	–	15
Royal Ins	263	–	[illegible]
Taylor Woodrow	115	–	8

Enichem to shed 10,000 jobs

By Paul Abrahams

Enichem, the chronically loss-making petrochemicals arm of Italy's Eni energy and chemicals group, yesterday said it would cut its service and support staff by 10,000 within four years.

Mr Marcello Colitti, Enichem's chairman, said the cuts would be on top of jobs lost through plant closures. They were part of preparations to sell or privatise most of the group's operations.

"The future of the company depends upon rationalisation. There is no point hiding the truth. Unless these business have the potential to make money, nobody is going to invest in them," said Mr Colitti.

Last week, the group said it expected to lose about L2,200bn ($1.3bn) this year.

"The cost of producing a kilogram of polyethylene at the moment is about 75 pfennigs and the sale price is DM1. We just can't afford the overheads we have at the moment. I'm not happy about it, but don't let's fool ourselves," said Mr Colitti.

Enichem is prepared to sell or put into joint-ventures nearly all its businesses, including polyethylene, polyurethane and polystyrene. The group is also looking for partners for its elastomers business. Enichem's fibres and detergents businesses are already quoted.

Enichem would keep its core ethylene production. But the group was keen to reduce its stake in downstream operations, while still ensuring the subsidiaries would use Enichem's raw materials. "Enichem will virtually be dissolved. It could become a small holding company with a few petrochemicals activities," said Mr Colitti.

Some subsidiaries, such as detergents, were ready for disposal, while others required more cost-cutting. Many needed more complex rationalisation.

"There's far too much petrochemicals capacity in Europe. There are simply too many plants. Consolidation is inevitable and unavoidable and, I believe, a welcome consequence of market globalisation," he said.

"These problems must be tackled at a European level, both industrially and institutionally. We must have a positive attitude from the European Commission. The guardians of European free competition, who tend generally to be over-nervous, need not be over-suspicious of our motives. This is the only way to get back to full competitivity."

Lebanon turns to Eurobond market to rebuild Beirut

By James Whittington in Amman and Antonia Sharpe in London

The Lebanese government plans to raise $300m, through its first Eurobond offering, to help pay for the rebuilding of Beirut.

The proposed offering of three-year Eurobonds is the latest attempt by prime minister Mr Rafik Hariri's government to meet the costs of a $13bn national reconstruction programme, dubbed Horizon 2000.

Foreign aid has been well below the levels needed to finance the 10-year programme. Commitments to date from the EU, the United Nations, the Opec Fund, Arab institutions and others amount to $1.4bn and are linked to specific projects.

The World Bank has pledged $175m and the Lebanese government hopes that a meeting of a Bank-sponsored consultative group, scheduled for December, will result in more aid.

However, following the peace agreement between Israel and the Palestine Liberation Organisation, Lebanon's plans are likely to suffer as the donor community switches its attention and funds to the reconstruction of the occupied territories. Furthermore, until progress is made between Israel and Lebanon in their peace talks, substantial aid is unlikely to be forthcoming.

As a result, the Lebanese government has turned to the international capital markets. Earlier this month, Solidere, a $1.8bn property company set up to rebuild the centre of Beirut, launched a $650m international equity offering, one of the biggest public share issues in the region.

The proceeds of the Eurobond issue will be used to develop the mainly Shi'ite southern suburbs and a road network, according to Mr Nasser Saidi, deputy governor of Lebanon's central bank.

Lebanon's bonds are likely to be well received because of its relatively low foreign debt of $300m and its gold reserves, which stood at $1.5bn at the end of 1992. Bankers say Lebanon has not defaulted on any international loans since the start of the civil war in 1975. Merrill Lynch, the US securities house, is arranging the offering. The bonds are likely to be priced to yield between 350 and 400 basis points over US treasuries.

Dividend cut likely and no upturn in business expected before 1995

BASF down 44% as European sales decline sharply

By Christopher Parkes in Ludwigshafen

BASF, the German chemicals group, is likely to cut its dividend again this year and expects business to remain weak before turning up in 1995, according to Mr Jürgen Strube, chairman.

Pre-tax earnings for the first nine months of the current year were down 44 per cent at DM607m ($353.87m), mainly because of a 10 per cent sales decline in Europe, which accounts for more than 60 per cent of the sales total.

German operations were showing operating losses and would be liable for a considerably lower tax bill.

The group cut its dividend by DM2 to DM10 last year after pre-tax profits fell 41 per cent to DM1.24bn.

Profits had also been hit by heavy start-up and development work on the group's gas business and plants at Schwarzheide in eastern Germany, Antwerp and Mexico.

Group sales, down 5 per cent overall at DM30.7bn, were helped by a 7 per cent rise in North America which stemmed partly from the acquisition of Mobil's polystyrene business.

While Mr Strube gave no clear forecasts for the full year, or the dividend, he noted that sales in August and September were around 5 per cent higher than in the comparable two months of 1992, marking the first improvement in the year so far.

"Volumes and earnings are beginning to stabilise at a low level," he said. "We have probably reached the bottom of the slope, but it is too soon to conclude that we have started up the other side."

Jürgen Strube: "We have probably reached the bottom"

Earnings power was still being dampened by slack demand and low prices resulting from overcapacity and increasing imports from low-cost countries.

Sales of plastics and fibres, BASF's biggest business sector, fell 9 per cent to DM7.3bn because of a 19 per cent fall in Europe, including a 23 per cent slump in the domestic market.

Chemicals, accounting for 13 per cent of total sales, remained one of the group's biggest earners, Mr Strube said. A 9 per cent decline in Europe was partly offset by a 15 per cent revival in north America.

Confirming further labour cuts and closures in Germany, he signalled greater concentration in future on developing the chemicals business abroad.

Lex, page 20

Deficit on company pension funds hits $38bn

By Richard Waters in New York

The shortfall in the 50 US corporate pension funds with the biggest deficits climbed from $29bn to $38bn by the end of last year, and is projected to have grown to as much as $50bn now.

The figures will add to support for proposed legislation which would force companies to cut the scale of their pension fund deficits, in turn eating into their reported profits and cashflow.

The latest figures on the scale of the underfunding were disclosed yesterday by the Pension Benefit Guaranty Corporation, which guarantees benefits in private sector funds. Its annual listing of the 50 companies with the largest deficits showed their combined unfunded liability to be $38bn at the end of last year.

Falling US bond rates largely account for the worsening position of the pension funds. Long-term interest rates are used to discount future pension liabilities to calculate their current values. As this discount rate falls, the present value of the liabilities rises.

"With interest rates declining, companies should have been contributing larger amounts to their pension plans to keep their liabilities manageable. Our reforms will require it," said Mr Martin Slate, executive director.

Given the one percentage point fall in the 30-year US bond yield since the start of this year, the combined deficit is likely to have grown considerably larger. General Motors, for instance, calculates that a one percentage point fall adds $5bn-$6bn to its liabilities.

GM once again topped the PBGC's listings. As others – such as Chrysler – have moved to cut the underfunding of their plans, the scale of GM's pension fund deficit now dwarfs those of other companies.

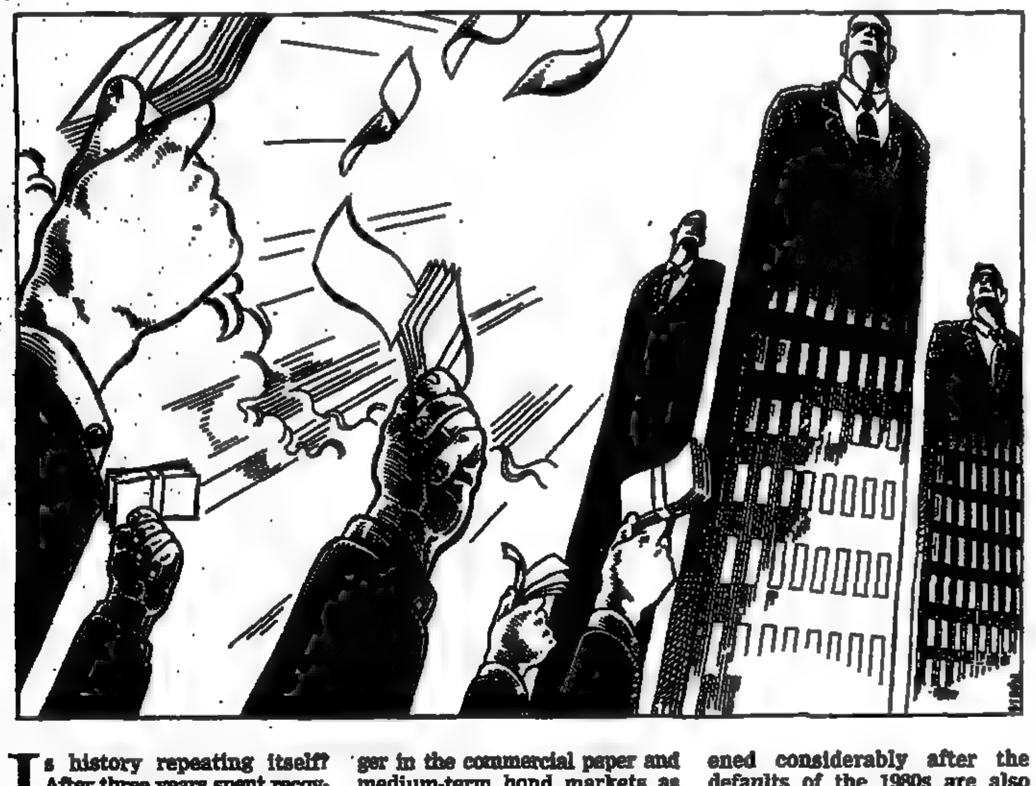
Last week GM announced its intention to transfer $5.7bn worth of shares into its pension fund.

The PBGC figures differ from those published by companies because they are calculated on a termination basis and assume the funds are forced to buy annuities at current market rates to cover all their future liabilities.

Based on its own calculations, GM's deficit was $14bn at the end of last year, and will be $24bn by the end of this year as a result of lower bond yields.

John Gapper finds that competition is hotting up in the corporate lending arena

Banks scramble for quality borrowers



Is history repeating itself? After three years spent recovering from the disasters of the late 1980s, European banks are displaying signs of returning to the past. The strongest evidence has emerged in lending to large companies, where competition is becoming more fierce.

One example came this month when an $800m loan to Pechiney, the state-controlled French aluminium group, was heavily oversubscribed by banks wanting to join syndicates. Large creditworthy companies – those perceived as single A or above – are being offered loans at rates well below those of two years ago.

The slipping of margins has evoked memories of the late 1980s, when a lending push by Japanese and other international banks led to intense competition. Pressure eased in late 1990 after a wave of corporate failures. Some banks withdrew, margins were pushed up and loan covenants tightened.

But lending competition has now resurfaced. While banks could get margins of more than 50 basis points (half a percentage point) above the London inter-bank offered rate (Libor) a year ago, investment grade companies are now seeking lending in the mid-30s above Libor, and even lower. Mr Hugh Paton, head of credit marketing and execution for JP Morgan in Europe, says there has been a "pronounced contraction in spreads" for high quality companies.

There are a number of reasons for the narrowing of margins. The first is that loan demand remains weak – relatively few well rated companies want to borrow. Activity has been stronger in the commercial paper and medium-term bond markets as old debt has been restructured.

The potential supply of loans has also increased. British banks have noticed the re-emergence of some foreign banks which pulled back from London at the end of the last decade. European banks, including big German and Swiss institutions, have also become more active.

In addition, most banks have more lending capacity. The capital of US banks has been considerably strengthened by a favourable yield curve, and European banks have started to rebuild the capital weakened by loan losses in the 1980s.

The hunger for loan assets is increased by the fact that many fixed-term loans from the late 1980s are being repaid. "Many banks whose balance sheets expanded in the 1980s are now seeing a big run-off, and they are left with holes in their books they want to fill," says Mr Paton. This also means banks are feeling stronger because the yield on their portfolios has risen.

The rekindling of competition has shown itself in narrowing margins, in the way loans are structured and in the terms of loan covenants, such as the ratio of interest payments to a corporation's income.

Mr Neil Harland, managing director of corporate banking at Barclays, says an example of more favourable loan structures is that banks are again willing to lend to holding companies, rather than having loans directly secured on the operating subsidiaries which produce income to meet interest payments.

Covenants which were tightened considerably after the defaults of the 1980s are also starting to loosen. Banks say that single A companies are chafing at the tough restrictions when facilities come up for renewal, and insisting on re-negotiation.

All these trends seem to undermine banks' claims that they have learned their lessons and are no longer willing to compete for lending which does not provide high enough returns to cover risk. However, the implications are not as clear as they appear.

An important aspect of lending to large investment grade companies is that it is one of the least risky activities. Banks say the strong competition for such borrowers reflects a new aversion to high-yield, high-risk lending.

Mr David Harrison, Lloyds Bank's senior general manager for corporate banking, says that margins have only narrowed for the lowest risk loans. "As soon as you get below the As, you find people are much more cautious about risk. At that point the pressure on margin is secondary."

He believes this emphasis on low-risk lending shows that banks are not slipping back into ill-calculated competition. "I do not think it is a dangerous scene. I have heard people say 'here we go again' but I do not subscribe to that view."

Nonetheless, the margins on loans to highly rated companies are starting to approach the point where some bankers question whether they cover the cost of capital. That implies that banks would be wise to exercise caution if margins slip further, no matter how assiduously they are concentrating on quality borrowers.

Hoogovens seeks capital boost through share issue

By Ronald van de Krol in Amsterdam

Hoogovens, the Dutch steel and aluminium group, is to bolster its balance sheet through a Fl 373.5m ($196.5m) issue of new shares, expanding the loss-making company's capital base by 37 per cent.

The transaction involves a series of offers to Dutch and foreign institutions, retail investors and the Dutch state, which will take up nearly a third of the new shares.

After the closure of the offers, which are being lead-managed by ABN AMRO and SG Warburg Securities, the Dutch government's stake in Hoogovens will rise to around 17.1 per cent from 12.3 per cent currently.

However, Mr Maarten van Veen, chairman, noted that this would bring ownership of Hoogovens by public authorities back to the level that prevailed until July, when the City of Amsterdam sold off its 5 per cent stake to domestic and foreign institutional investors.

Mr van Veen said Hoogovens had decided against holding a rights issue because it wanted to raise the maximum amount possible. If it had opted for a rights issue, it would have had to offer a discount to the market price.

The price of the new shares, to be fixed by December 3, is expected to be roughly equal to the company's price on the Amsterdam stock exchange.

At Friday's closing price of Fl 45, the issue would be worth Fl 373.5m. Yesterday, Hoogovens' shares fell by Fl 2.50 to Fl 42.50.

Hoogovens' share price has doubled since March, helped by keen interest from foreign investors and foreign stockbroking firms, which have recommended the company as a prime candidate to benefit from the expected upturn in European economies.

This prospect of a cyclical turnround has helped offset worries about Hoogovens' balance sheet.

Shareholders' equity as a percentage of balance sheet total, which stood at 19.4 per cent at the end of June, should rise to between 21 and 25 per cent after the share issue, Hoogovens said.

Oil group sees Sch1bn deficit

By Patrick Blum in Vienna

OMV, the Austrian oil and chemicals group, has reported heavier nine-month operating losses and forecast an operating deficit of around Sch1bn ($83m) for 1993 as a whole.

Nine-month turnover was Sch59.44bn, down from Sch60.73bn in the same period of 1992.

Operating losses for the nine months were Sch735m compared with Sch383m.

Restructuring, including plant closures and drastic cost-cutting measures in the plastics and chemicals divisions, will cause extraordinary losses of about Sch3.7bn and bring the full-year net loss to Sch4.7bn.

Mr Richard Schenz, chairman, said the losses were due to the severe recession in the chemicals business and low crude oil prices. The gas business was the group's most profitable activity and there was a small profit from refining.

However, the results will not affect OMV's privatisation and foreign expansion plans. Mr Schenz said "privatisation will not really be affected because large investors know we have a restructuring programme".

Almost 30 per cent of OMV is in private hands with more than half held by foreign investors. The government plans to sell a further 20-25 per cent stake to a strategic foreign partner next year before full privatisation of the company in 1995.

The group is negotiating to buy 35 per cent of Slovnaft, the Slovak petrochemicals company, and wants to take a stake in Magyar Olaj, the Hungarian energy group which is being privatised.

Indian SEB extends regulation

By Stefan Wagstyl in New Delhi

The Securities and Exchange Board of India, the market watchdog, has published tough new rules to ensure greater protection for investors from dishonest stockbrokers.

The new regulations, which come into force on January 1, will require brokers to maintain separate accounts for clients' money, to issue contract notes within one day of the execution of an order and to settle payments within two days of execution.

The rules have been widely welcomed by financial institutions in Bombay.

Investors have long criticised the Bombay stock exchange, the country's largest, and other Indian exchanges for inadequate safeguards for clients and poor supervision of brokers' activities.

The regulations are expected to assuage the fears of foreign financial institutions which have been increasingly active in the Indian stock market but which have also often expressed concern about the lack of transparency on Indian stock exchanges.

Since it was established last year, the securities board has made a high priority of raising regulatory standards on stock exchanges. However, this has annoyed some brokers, who felt that they were being treated unfairly by a supervisory body which they have said did not understand the workings of their market.

But with the support of the finance ministry, the securities board has made steady progress in more rigorous regulation and supervision.

Bombay SE rival, Page 28

London SE system fault caused by component

By Norma Cohen and Alan Cane

The failure of a year-old component in the London Stock Exchange's SEAQ price formation and display system was largely responsible for a four-hour system failure last Friday, the longest such glitch in the exchange's history.

Officially, the exchange has declined to publicly explain the cause of the failure, saying it was a matter between itself and its own clients. But yesterday, market makers and information providers which carry London Stock Exchange prices were also expressing frustration at the lack of an explanation.

However, former exchange officials, familiar with the workings of the ageing SEAQ system, said the failure of a Chipcom Hub in the exchange's ethernet network was to blame. The ethernet network, an ingredient in most integrated computer systems, helps parts of the system to communicate with each other.

"The ethernet is like a plumbing system," said one former employee. "Its what connects the parts to each other. In order to work they all have to talk to each other and in the right sequence."

The Chipcom hub helps the sequencing of information.

When the component failed, it was left to Andersen Consulting who are responsible for servicing the SEAQ network to straighten out the problem.

The former officials said that because Andersen Consulting is relatively new to the system – it was appointed in April 1992 and is advising the Exchange on how to replace it – it was not able to correct the fault quickly.

Since SEAQ was installed in 1986, most of the technical staff responsible for its creation have left the Exchange. However, despite its age and difficulties in coping with very active trading, it has proven a resilient system overall and market makers have had few complaints about its effectiveness.

Krone devaluation and price war hit Carlsberg

By Hilary Barnes in Copenhagen

Price competition and krone devaluation prevented Carlsberg from translating a 29 per cent increase in the volume of beer sold in the year ended September into matching increases in profits and turnover.

Turnover increased by 4.2 per cent to DKr15.59bn ($2.29bn) from DKr14.95bn, including excise taxes. Operating profits dipped to DKr1.08bn from DKr1.16bn, although after net financial income, pre-tax profits rose by DKr18m to DKr1.36bn.

The results also include a DKr200m charge to meet structural changes "in anticipation of ever-increasing competition affecting the brewing industry in Denmark and especially abroad".

Earnings per share were up slightly from DKr14.24 to DKr13.36, but the group's return on equity slipped slightly to 13.7 from 14.6 per cent. Carlberg is paying an unchanged DKr3 per share dividend.

The increase in turnover was held back by currency changes. If exchange rates had been stable, pre-tax profits would have been about eight per cent higher than the published figure, Carlsberg said.

Carlsberg-Tetley, the group's UK joint venture, is included in the accounts for nine months. The venture contributed to a significant increase in beer sales in the UK, Carlsberg said.

Intensifying competition will have an adverse effect on future earnings, partly because of higher marketing expenditures, said Carlsberg.

However, the group expects to consolidate its position as an important player on the international brewing scene in the second half of the decade, it said.

Blenheim shuffles directors

By Andrew Bolger

Blenheim Group, the acquisitive international exhibition organiser which has seen its share price drop by more than 40 per cent this year, yesterday announced a management reshuffle.

Mr Philip Soar is stepping aside as chief executive to become director of planning and strategy. Mr Staffan Svenby, 49, a Swede who joined the UK group in 1991, has been appointed managing director.

Blenheim, once a highly-rated stock, suffered in September after BZW, the joint broker along with Credit Lyonnais Laing, cut its profit forecast for the second time in three months. There was irritation in the City that the reduced profits outlook emerged so soon after a convertible share issue in June, in which Blenheim raised £75.8m to fund acquisitions in the US and continental Europe.

Mr Neville Buch, chairman and founder of Blenheim, denied speculation by some analysts that Mr Soar was being blamed for the group's de-rating. He said: "If anyone was going to carry the can, they would have been sacked."

He said Mr Svenby was a very hands-on manager and would pursue the group's policy of trying to get closer to the needs of consumers, rather than allowing the exhibitions to be be producer-driven.

Mr Svenby joined the group when Blenheim acquired his company, Sydexpo, one of Sweden's few independent exhibition companies. He was appointed to Blenheim's main board in February and earlier this year became chairman of the company's executive committee with responsibilities which include new geographical markets and exhibition launches.

Mr Soar, who joined Blenheim as managing director in 1990, is credited with improving computer systems and management controls at the group, which had expanded rapidly through acquisitions mainly in the France and the US. The group said he would concentrate on developing strategies, especially in information provision, new technologies and marketing.

Lex, Page 20

Pricing squeeze hurts Ares-Serono

By Ian Rodger in Zurich

Sales and profits of Ares-Serono, the Geneva-based manufacturer of human fertility drugs, plunged in the third quarter. Consolidated net income from continuing operations fell 34 per cent, to $13.9m, on sales off 20 per cent to $171.5m.

The group said it had been hit by enforced price reductions on its products in many European countries. Meanwhile, in the US many patients delayed treatment in the hope that the costs would be reimbursed under the Clinton administration's health care plan.

Moreover, devaluations in Italy and Spain, where the group makes nearly half its sales, hurt the figures.

The group also pointed out that sales in the third quarter of last year were exceptionally strong.

For the nine months, total sales were off 13 per cent to $548.3m, while net income from continuing operations was down 11.4 per cent to $52,942.

Sales of Saizen, the group's recombinant human growth hormone, rose 4.3 per cent in the first nine months, while sales of Metrodin, a follicle-stimulating hormone, jumped 25 per cent.

The company said it was investing $120m to raise its production capacity for Rebif, recombinant human beta interferon, for use in treating multiple sclerosis.

French ski equipment group up mid-year

By John Ridding in Paris

Skis Rossignol, the French ski equipment and sportswear manufacturer, almost doubled net profits, from FFr79.5m to FFr140.2m ($23.6m) in the six months ended September.

The increase was achieved on sales of FFr983.6m, up about 17 per cent on the same period in 1992. Operating profit rose from FFr126.1m to FFr192.9m.

The results include the acquisition of the Roger Cleveland Golf, the US sports group. It also said that trading conditions remained favourable and profitability was increasing sharply.

Lada producer borrows $150m from Swiss

By Leyla Boulton in Moscow

Avtovaz, the Russian producer of Lada cars, has obtained a $150m loan from a Swiss finance company in an unusual solution to Russian companies' difficulties in raising finance on western capital markets.

The Swiss-based Forus Services said it had arranged the seven-year loan from its own funds and western banks including Banque Nationale de Paris, for on-lending to Avtovaz for the modernisation of its plant at Togliatti in Russia.

Mr Rene Kuppers, Forus' general-manager, said guarantees presented to banks included receivables from exports of Lada cars to Latin America, the Middle East and Europe.

But western banks themselves, which have been negotiating a rescheduling of debts owed by the former Soviet Union, have been reluctant to lend directly to Russian companies without guarantees from their own governments.

Forus also has a 15 per cent stake in a new Russian consortium which plans to produce a new passenger car in co-operation with a western manufacturer which has yet to be selected.

Two US hotel chains enter contest for Ciga

By Michael Skapinker in London and Haig Simonian in Milan

Two US hotel groups yesterday declared an interest in the Italian-based Ciga luxury hotel group, which last month announced it was negotiating a deal with Forte of the UK.

ITT Sheraton and Host Marriott said they were interested in the highly-indebted chain, which is the subject of a restructuring plan organised by Mediobanca, the Milan merchant bank.

Forte said last month it would take over the management of Ciga's 35 hotels in Italy, Austria, France, Greece, the Netherlands and Spain.

In return, it would pay £33m ($48.6m) and insert some of its own luxury hotels, with a value of about £125m, into an Italy operating company. Forte is carrying out a due-diligence examination of the chain.

The Forte plan has, however, had a mixed reception among Ciga's banks, many of which have not received interest on the group's net debts of more than L1,000bn ($595.8m) for months.

Ciga's Italian bankers have kept a low profile, in spite of frustration at delays in presenting the Mediobanca rescue plan. While concern not to offend Mediobanca has probably been the main cause of their inaction, the apparent lack of alternatives has been the other.

Foreign banks have been more assertive in voicing their dissatisfaction. Matters have been made more difficult by Ciga's complex ownership structure. The company, which is listed on the Milan bourse, is controlled by Fimpar, the quoted financial holding company majority-owned by the Aga Khan.

A group of lenders to Fimpar have taken legal action to freeze its Ciga stake. They have argued that any Ciga rescue package should take their interests into account. They have sought representation in the negotiations.

Only one foreign bank, Barclays, has lent to both Ciga and Fimpar, and it is by far the most vociferous of the dissidents. Last month, it indicated opposition to the Mediobanca plan and criticised the bank for not examining alternative offers. Mediobanca, which traditionally refuses to talk to the press, could not be reached for comment yesterday.

Host Marriott confirmed yesterday it was in discussions over the possible acquisition of Ciga. It said Marriott International, its sister company, could operate some or all of the hotels.

ITT Sheraton said it was looking for properties to complement its business and a bid for Ciga was "under preliminary review".

Forte countered yesterday that its luxury hotels made it more compatible with Ciga than the other two groups. It said, however, that it would not overpay for the chain.

Ruling on Paramount takeover deferred

By Martin Dickson in New York

A Delaware judge yesterday delayed until at least Wednesday an important court ruling in the $10bn takeover battle for entertainment group Paramount Communications.

Judge Jack Jacobs, of the Delaware chancery court, told companies involved in the case that he needed more time to consider last-minute information, including some provided by Paramount directors.

The case involves a challenge by QVC Network, the television shopping company headed by Mr Barry Diller, to the terms of a $9.4bn friendly merger agreement between Paramount and cable television group Viacom.

QVC has made a hostile $10.7bn offer for Paramount, and has asked the court to lift poison pill provisions of the merger deal which would require it, in the event of a successful takeover, to pay Viacom some $600m.

Viacom's tender offer for 51 per cent of Paramount's shares had been due to expire at midnight last night, with QVC's offer closing on Friday night. Viacom's offer has now been extended to midnight on November 24, and QVC's to December 1.

Yesterday's action preserved, at least for now, the time advantage enjoyed by Viacom's tender offer, though this could change if the judge were to find in QVC's favour.

● Fund American Enterprises Holdings is in preliminary talks on the purchase of part or all of Xerox's Talegen Holdings insurance unit, Reuters reports from Chicago.

Talegen, formerly Crum and Forster, is a property-casualty insurer. "The talks are in the early stages," said Fund American.

Toyota warns of continued decline

By Kevin Done, Motor Industry Correspondent

Toyota, the leading Japanese carmaker, forecast yesterday that its earnings would "bottom out" in the current financial year to the end of June 1994.

"We believe that Toyota then can achieve a gradual upturn in earnings," said Mr Hiroshi Okuda, Toyota executive vice-president responsible for finance.

However, he warned that growth in Japan would be slow, and the domestic industry would have to be restructured. "Growth will be slower than the growth we took for granted in the 1970s and 1980s. Automakers will not share equally in that growth."

With 11 domestic vehicle makers, the Japanese industry was "pretty crowded", said Mr Okuda. "If the yen remains strong and domestic demand remains weak, not all of these automakers will survive in their present form."

Toyota's pre-tax profits declined by 25 per cent in the year to the end of June, to Y322.2bn ($3bn), and are forecast to fall steeply again this year under pressure from the sharp appreciation of the yen and the continuing decline in the domestic Japanese market.

Mr Okuda forecast that by 1995-96 (the year to June 1996) Toyota would have restored its pre-tax earnings to the level of 1991-92, when they totalled Y427.9bn.

Toyota would need another year of strenuous efforts to cut costs to offset the impact of the strong yen, Mr Okuda told financial analysts in London.

Cost-savings achieved through streamlining operations and reductions in fixed costs had amounted to Y160bn in the last financial year, he said.

He forecast Toyota's growth would be strong in emerging markets such as south-east Asia, where the group has sold more than 300,000 cars and trucks in the last financial year, to claim market share of around 20 per cent. This week it is establishing a finance subsidiary in Thailand.

New car sales in Japan, which have been falling for three years in succession, were expected to begin to recover in 1994, said Mr Okuda.

He said Toyota did not plan any redundancies in Japan. To streamline production, it was cutting the number of its model specifications by 20 per cent, and component variations by 30 per cent.

Toyota had the strongest financial position in the world auto industry, he claimed, with total liquid assets with a book value of Y2,100bn. In addition, the Toyota group's securities portfolio had a hidden reserve (the market value in excess of the book value) of Y1,600bn.

Toyota will begin UK output of a hatchback version of its Carina E next month. UK production will reach 400 units a day, or an annual rate of 100,000 during the first half of 1994.

Varity doubles net earnings to $22m

By Frank McGurty in New York

Shares in Varity, the US automotive, farm and industrial machinery group, advanced yesterday after it said earnings more than doubled in the third quarter.

For the three months to the end of October, the group posted net income of $22.2m, or 49 cents a share on a fully-diluted basis. It beat analysts' forecast of about 40 cents. In the comparable period of 1992, earnings were $10.5m, or 23 cents a share.

After the announcement, the stock added $1 to $39 in early trading on the New York Stock Exchange.

The advance partly reflected Varity's moves to concentrate on core manufacturing businesses. As a result, revenues were lower at $692m, against $844m a year ago. However, the decline was attributable to several disposals last year. When adjusted to exclude discontinued operations, sales in the 1992 quarter were $656m.

The restructuring, together with a series of stock moves, helped the company slash interest expense to $8m, from $35.3m in the year-earlier period.

All three of Varity's main operating groups – Kelsey-Hayes, an automotive parts supplier; Perkins, a diesel-engine manufacturer; and the Massey-Ferguson farm-equipment division – contributed to a 23 per cent jump in operating income.

The performance by Kelsey-Hayes, the world's largest producer of anti-lock braking systems, was particularly encouraging. Sales were up 14.3 per cent to $297m, suggesting a growing acceptance of such braking systems among car manufacturers.

In the first nine months, Varity posted a net loss of $98.5, or $3.17 a share. With the effects of accounting changes and early debt retirement excluded, net income was $49.3m, or $1.13, on a fully-diluted basis.

Discover agrees compromise with rival credit card issuer

By Richard Waters in New York

A stand-off between two of the US's big four credit card companies was partially resolved yesterday as Dean Witter Discover announced it was to issue cards bearing the MasterCard logo.

DWD, which was spun off from the retailing group Sears, Roebuck earlier this year, has been fighting both MasterCard and Visa in the courts for the past two years. It is seeking the right to issue cards under the two payment systems through one of its own banking subsidiaries.

Yesterday's agreement does not involve the company joining MasterCard directly. Instead, it will issue a co-branded card with NationsBank, the North Carolina-based bank which is eager to grow its own base of cardholders.

The two sides have dropped all litigation against each other.

However, under the terms of their agreement, subsidiaries of DWD will be admitted to MasterCard directly if DWD wins a separate action seeking admission to Visa.

The Discover card, launched in 1985, has around 39m cardholders and is accepted by 1.8m merchants in the US – nearly as many as accept Visa and MasterCard.

The card to be issued through NationsBank, known as the Prime Option MasterCard, will continue DWD's strategy of issuing "value-based" general purpose cards – those with no fees and low interest rates.

Following the huge success of Sears' Discover card, which also pays holders a rebate, many similar cards have been issues by banks and others under both Visa and MasterCard.

Mexico approves two new banks

By Damian Fraser in Mexico City

The Mexican finance ministry has has given the go-ahead to two new banks, bringing to 11 the total number of authorisations granted this year.

The government hopes the moves will put more competitive pressure on those former state-owned banks that were privatised last year and the year before. Next year, US and Canadian banks will be permitted to set up their own subsidiaries in Mexico, under the terms of the North American Free Trade Agreement (Nafta). This will open up the market still further.

The finance ministry has complained about the high spreads between interest rates on savings and loans earned by Mexican banks, and has partly blamed the credit crunch and economic slowdown this year on uncompetitive practices in the financial sector.

The finance ministry also approved four mortgage associations, and three savings and loans groups, in an effort to stimulate housing market.

Mortgages are difficult to obtain in Mexico, and rates are well above those earned on deposits.

The two new banks are: Banco Regional de Monterrey, of Jaime and Manuel Rivero Santos, and Banco Invex, of the brokerage of the same name.

First Chicago to buy Lake Shore

First Chicago, the US bank, is to acquire all outstanding shares of Lake Shore Bancorp for about $323m.

Lake Shore, with $1.2bn in assets, is the banking holding company for Lake Shore National Bank, Chicago, and Bank of Hinsdale, Hinsdale, Illinois. First Chicago Corp has assets of $53.2bn.

The transaction is expected to close in the second quarter of 1994.

NOTICE

TO: HOLDERS OF SENIOR DEBENTURES OF TRIZEC CORPORATION LTD. (the "Company")

Cdn.	$4,441,000	9 1/2%	Senior Debentures to mature November 15, 1993;
Cdn.	$2,904,000	10 1/2%	Senior Debentures to mature June 1, 1998;
SF	100,000,000	6 1/8%	Bonds 1983 - 1993;
Cdn.	$60,000,000	11 7/8%	Senior Debentures to mature March 15, 1995;
SF	100,000,000	5 5/8%	Bonds 1985 - 1995;
ECU	56,000,000	9 1/4 %	Senior Debentures to mature September 13, 1995;
Cdn.	$75,000,000	10%	Senior Debentures to mature October 1, 1996;
SF	100,000,000	5%	Bonds 1987 - 1999;
U.S.	$125,000,000		Senior Debentures to mature 1995;
Cdn.	$125,000,000	10 1/4%	Senior Debentures Due June 22, 1999 and 10 1/2% Senior Debentures Due June 22, 2009
SF	150,000,000		Senior Debentures to mature 1997;
U.S.	$60,000,000		Senior Debentures to mature 1997;
U.S.	$40,000,000		Floating Rate Notes to mature 1995; and
Cdn.	$115,000,000	11.125%	Senior Debentures Due June 18, 1998

Montreal Trust Company of Canada, as Trustee under the terms of a Trust Deed dated March 15, 1972, as amended and supplemented, hereby gives formal notice, as required by Section 24.8 of the Trust Deed, that, as previously disclosed in various press releases and other correspondence, an event of default has occurred under the Trust Deed. On October 14, 1993, the Company filed with the Court of Queen's Bench of Alberta an application in connection with a petition for approval of a proposed arrangement under Section 192 of the Canada Business Corporations Act and on October 21, 1993 the Company failed to pay on maturity amounts owing pursuant to a series of Senior Debentures due on that day.

DATED this 12th day of November, 1993. **MONTREAL TRUST COMPANY OF CANADA, Trustee**

Notice of Final Redemption

J.P. Morgan & Co. Incorporated

US $200,000,000 Floating Rate Subordinated Capital Notes due 1997

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Indenture dated as of December 19, 1985 (the "Indenture"), between J.P. Morgan & Co. Incorporated, (the "Company") and Bankers Trust Company, as Trustee that the Company has, at its option elected to redeem the outstanding $45,000,000 principal amount of its Floating Rate Subordinated Capital Notes due 1997 (the "Notes") on December 23, 1993 (the "Redemption Date") at 100% of their principal amount plus interest accrued thereon to the Redemption Date (the "Redemption Price") in accordance with Article Three of the Indenture and as set forth in the terms and conditions of the Notes.

All conditions precedent to such redemption have occurred and the principal and interest on the Notes will become due and payable on the Redemption Date upon presentation and surrender of the Notes so called for redemption together with all unmatured coupons attached, on or before the Redemption Date at the specified office of any of the Paying Agents listed below:

Swiss Bank Corporation
1 Aeschenvorstadt
CH-4002 Basle Switzerland

Morgan Guaranty Trust Company of New York
60 Victoria Embankment
London EC4Y 0JP

Morgan Guaranty Trust Company of New York
Mainzer Landstrasse 46
D-6000 Frankfurt am Main 1, Germany

Morgan Guaranty Trust Company of New York
Avenue des Arts, 35
1040 Brussels, Belgium

Morgan Guaranty Trust Company of New York
14 Place Vendome, 75001
Paris, France

Banque Internationale a Luxembourg S.A.
2 Boulevard Royal
L-2953 Luxembourg

On and after the Redemption Date, interest on the Notes so called for redemption will cease to accrue and the sole right of the holders of the Notes shall be to receive payment at the Redemption Price (including payment for a missing coupon in respect of which a deduction shall have been made from the Redemption Price) upon surrender of the Notes.

Payment pursuant to the presentation of the Notes for redemption made by transfer to a United States dollar account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 31% of the gross proceeds (including premium, if applicable) if a payee fails to provide a paying agent with an executed IRS Form W-8 in the case of a non U.S. person or an executed IRS Form W-9 in the case of a U.S. person. Those holders who are required to provide their accurate Taxpayer Identification Number and who fail to do so may also be subject to an IRS penalty of U.S. $50. Accordingly, please provide all appropriate certification when presenting the Notes for payment.

J.P. Morgan & Co. Incorporated
By: Bankers Trust Company, as Trustee

Dated: November 23, 1993

HILL SAMUEL OVERSEAS FUND

SICAV
Luxembourg, 11, rue Aldringen
R.C. Luxembourg N° B8422

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders will be held at the registered office of the Company on 10th December 1993 at 2.30 p.m. with the following agenda:

Agenda

1. Submission of the management report of the Board of the Directors and of the report of the Authorized Independent Auditor.
2. Approval of the annual accounts and appropriation of the results as at 30th September 1993.
3. Discharge to be granted to the Directors for the proper performance of their duties for the period ended 30th September 1993.
4. Receipt of and action on nomination for election of the Directors for a new statutory term of one year.
5. Any other business.

The shareholders are advised that no quorum is required for the items of the agenda and that the decisions will be taken at the simple majority of the shares present or represented at the Meeting. Each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

By order of the Board of Directors

US offshoot holds key to Rhône-Poulenc

The chemical group's future depends on the strength of healthcare company RPR, reports Paul Abrahams

Key to the fortunes Rhône-Poulenc, France's biggest chemicals group whose privatisation issue closes this week, is Rhône-Poulenc Rorer (RPR), its 68.7 per cent-owned healthcare subsidiary.

Rhône-Poulenc's health sales, which include RPR and Institut Mérieux, generated 90 per cent of group operating profits on only 40 per cent of group turnover during the first nine months this year.

RPR is the vast majority of Rhône-Poulenc's health sales and operating profits. It accounted for FFr21.7bn ($3.6bn) of the health division's FFr30bn sales last year, and its FFr3.5bn operating profits totalled 83 per cent of the division's earnings.

The subsidiary was formed in 1990 from the merger of Rhône-Poulenc Santé of France and Rorer of the US and, of all the mega-mergers of the late 1980s and early 1990s, this has been the most successful. Between 1990 and 1992, operating profits increased from $2.3bn to $4.96bn while operating margins rose from 9.8 per cent to 16.8 per cent.

But in spite of RPR's impressive record, its ultimate success is far from assured. Its early achievements were relatively easy.

In 1990, the group's gross margins were about 60 per cent, against an industry average of about 75 per cent.

The group, which has been the fastest expanding company among the top 25 US drugs groups, is now seeing a slowdown in underlying growth. Analysts expect volume growth to be limited to about 7 per cent this year.

During the first three quarters turnover fell from $2.918m to $2.884bn. Adverse currency changes – the franc has fallen 22 per cent against the dollar – will mean sales for the full year are likely to be flat.

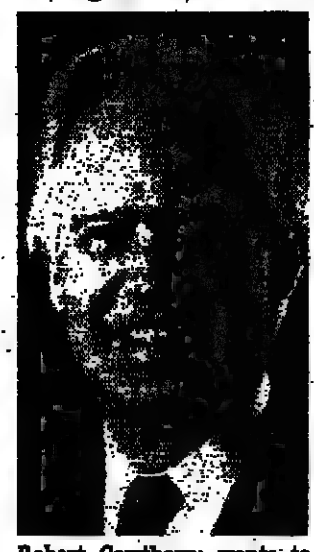
Like other pharmaceuticals companies, RPR is facing a worsening environment, with governments around the world reining in drugs spending.

Healthcare reforms in Germany and Italy, in particular, sapped sales growth, with turnover down between 25 per cent and 30 per cent during the first half of the year. Mr Robert Cawthorn, chief executive, warns that the second six months are unlikely to see an improvement.

The group is vulnerable to the US and French markets, which represented 25 per cent and 33 per cent of sales last year. However, Mr Cawthorn insists it will be less affected by the changes in the US than most. He argues RPR has such a broad range of products it is not dependent upon a blockbuster that could be attacked by generic competition.

Of reform in France, Mr Cawthorn says the government is more sensitive to the needs of the pharmaceuticals industry than in many countries. "It's impossible to conceive of what has happened in Germany happening in France. There would be a revolt."

The group is responding by improving margins, among the worst in the industry, and by paying off debt. Net debt, which in 1990 was $1.9bn, is expected to fall from $774m in 1993 to $574m, according to Paris-based brokers, Paribas.



Robert Cawthorn: wants to develop premium products

In the medium-term, it is focusing on rapid growth through 16 key products, new uses for existing medicines, and a global marketing strategy.

"We may be number three in Europe, but we are only number 22 in the US, and that's not nearly as big as we ought to be," says Mr Cawthorn.

Since the merger, RPR has tripled its US sales force to 1,000.

Japan is a strategic priority. "We're definitely *not* strong enough there. The economics of licensing your products to a Japanese group just don't work any more, given the rising costs of developing each compound."

The group's long-term focus is to generate growth through innovative products that can justify premium pricing. But the immediate future is looking thin.

Mr Cawthorn says: "The two parents, Rorer and Rhône-Poulenc Santé, were pretty ho-hum organisations. Rorer had no track record of developing compounds. Rhône-Poulenc Santé had been very innovative but by 1990 the group was no longer at the cutting edge."

The company has twice reorganised its R&D activities. After the merger, many of the compounds in the pipeline were "me-too" products with little to differentiate them from drugs already on the market, he says.

The acid test of the new development will be Taxotere, an anti-cancer compound.

"You have to be first or second to the market. We think Taxotere is extremely exciting and only a little way behind Bristol-Myers Squibb's Taxol.

"We used the resources freed by not developing me-too compounds to accelerate its development," says Mr Cawthorn.

The group is throwing all its development resources at Taxotere in a race against time before rationalisation benefits begin to run out.

Taxotere will be filed for breast cancer and lung cancer next year in North America, Europe and Japan within three months of each other. "We've never done that before," Mr Cawthorn says.

But, in spite of the R&D reorganisation, doubts persist. The company, which spent $521m on R&D last year – equivalent to 17 per cent of sales – has focused on eight therapeutic groups.

However, it is still developing drugs that are increasingly commodities, such as antibiotics, antihistamines, and cholesterol-lowering drugs.

To bolster the long-term future, Mr Cawthorn is trying to identify emerging technologies. RPR's efforts to access these new technologies include a $113m investment in 37 per cent of Applied Immune Sciences, a Californian-based company specialising in cell and gene therapy.

"We will also collaborate with other pharmaceuticals groups," says Mr Cawthorn. "We need to pool resources rather than compete."

An example, says Mr Cawthorn was RPR's joint-venture with Chugai, the Japanese group, to develop treatments to help chemotherapy patients. The outcome of this long-term research effort is unlikely to be seen for at least five years. In the meantime, most of RPR's immediate fortunes at the molecular roulette table are riding on Taxotere.

Given the likely poor profitability of the rest of Rhône-Poulenc in coming years, the stakes riding on this single drug are high.

CPFP takes C$135m charge

By Robert Gibbens in Montreal

Canadian Pacific Forest Products is taking a C$135m (US$101m) special charge to write off its investment in the loss-making Gold River newsprint mill on Vancouver Island British Columbia. Negotiations to restructure the mill's debt have begun.

Gold River cost about C$250m and during three years of operation has been hit by low pulp and newsprint prices. The West Coast price of newsprint is US$420 a tonne, a record low after inflation.

CPFP, now independent of Canadian Pacific, owned 65 per cent of the limited partnership set up to build and own Gold River's pulping unit, a 230,000 tonnes a year newsprint operation.

CPFP, as general partner, has pumped in operating funds since Gold River's start up by buying partnership notes, and its interest has now risen to 85.5 per cent. The minority is held by a publishing group.

CPFP says it will continue its support until March 31, 1994.

The partnership has halted interest and principal payments on C$236m of long-term debt and begun debt restructuring talks with the banks with a March 31 deadline.

CPFP says Gold River can be profitable with debt restructuring and a new operating plan. Productivity is improving and the newsprint market is showing signs of life, officials said. Last August, Canadian Pacific sold its 60.7 per cent interest in CPFP, saying newsprint had become too cyclical.

Analysts estimated the Gold River write-off will bring CPFP's 1993 loss to more than C$330m, against a loss of C$248m in 1992.

Demand for Argentine power group share float

By John Barham in Buenos Aires

Heavy demand for shares in Central Puerto, a semi-privatised electricity generator, led Argentina to increase the company's share price 8 per cent, one day before the local and international offer closed.

Mr Daniel Marx, finance under-secretary, said the issue, which closed yesterday, was over-subscribed about 13 times. The government originally fixed a price range of $4.50-$5.00 for its remaining 30 per cent stake in the company and expected to raise $126m.

However, Mr Marx said yesterday the government had increased the price ceiling to $5.40 per share, given "a significant change in market conditions lately". As a result, he said, Central Puerto's prospective price/earnings ratio has risen to about 13 years.

Central Puerto was partly privatised in April 1992, when the government sold 60 per cent of it for $92.2m to a consortium led by Chilgener of Chile.

This announcement appears as a matter of record only.

HAGEMEYER

$120,000,000

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Guaranteed Senior Notes due 2000-2005

Private placement of these securities with institutional investors has been arranged through the undersigned.

WERTHEIM SCHRODER & CO.
Incorporated

November 1993

IRITECNA
IRI GROUP

Iritecna S.p.A. seeks expressions of interest from prospective purchasers of 100% of the share capital of SOTECNI - Società Tecnica Internazionale S.p.A., headquartered in Rome, 1317, Via Salaria.

Iritecna S.p.A. holds, through its fully owned subsidiary Bonifica S.p.A. 55% of the share capital of SOTECNI.

D'Appolonia S.p.A. headquartered in Genova, Italy, holds through its fully owned subsidiary D'Appolonia Servizi S.r.l. 45% of the share capital of SOTECNI.

Iritecna also on behalf of D'Appolonia intends to solicit and screen expressions of interest to acquire the whole share capital of SOTECNI.

Technically, the object of the sale will be the 55% of SOTECNI held by Iritecna through Bonifica and the 100% of D'Appolonia Servizi S.r.l. held by D'Appolonia S.p.A.. D'Appolonia Servizi S.r.l. has no other material activity than the shareholding in SOTECNI.

SOTECNI is a consulting engineering company operating in Italy and abroad, which provides its services for the preparation of territorial development plans, technical-economic feasibility studies, environmental impact studies, preliminary and final design, assistance in tendering, supervision of construction works and technical assistance in general, mostly in the areas of railways and rail transport, roads and road transport.

Sotecni operates only out of its Rome headquarters and has a staff of 104, of which 10 managers.

The main financials as of 31 December 1992 were (in million lire):

- Turnover	26,501
- Operating profit	3,346
- Net profit	978
- Net worth	3,613

For this proposed sale, Iritecna has retained as exclusive advisor **Mediocredito Lombardo S.p.A.**, to which all enquiries should be directed, as follows:

Mediocredito Lombardo S.p.A.
Via Broletto, n. 20
20121 Milano
Tel. 0039/2/8870.4256 Fax 0039/2/87.82.75
Att.: Vencesiao Stevens

Interested parties should apply in writing to Mediocredito Lombardo S.p.A. before 3 December 1993 in order to receive a confidentiality undertaking and a list of documents to be provided.

The confidentiality undertaking should be returned duly signed and executed by an authorized representative to Mediocredito Lombardo S.p.A. no later than 22 December 1993.

Interested parties will also be requested to provide additional information about themselves, including articles of incorporation, by-laws and financial statements for the latest three fiscal years.

This advertisement and any expressions of interest deriving therefrom shall not bind Iritecna to proceed with any sale at any time.

Iritecna retains the right at its sole discretion to refrain from providing the information memorandum to any interested party or to withdraw from the negotiations at any one time.

This announcement does not represent an invitation offer or recommendation for the sale, purchase or subscription of any securities.

This advertisement and the sale procedure are subject to Italian Law and, in case of controversy, the Court of Rome (Italy) will have jurisdiction.

The Italian text of this announcement, appearing on "Il Sole 24 Ore" and some other Italian newspapers on 23 November 1993, will prevail over this text in case of discrepancy.

Hoechst Celanese Corporation

has acquired

9,934,100 Shares of Common Stock

of

Copley Pharmaceutical, Inc.

at

$55 Net Per Share

representing a fully diluted

51% Interest in the Company.

The undersigned initiated this transaction and acted as financial advisor to Hoechst Celanese Corporation.

Arnhold and S. Bleichroeder, Inc.

November, 1993

DOING BUSINESS IN RUSSIA?

Save time, effort and money at the start

All foreign companies wishing to conduct business in Russia need to register there. In Moscow, registration is handled by the Moscow Registration Chamber. Fortunately, this process can be relatively quick and easy, thanks to Financial Izvestia which is now offering the Moscow Registration Chamber's own Guide to Registering Companies in Moscow. Written in English and in collaboration with the international law firm, Salans Hertzfeld & Heilbronn, this invaluable Guide

- Enables you to select the most suitable legal structure for an enterprise
- Supplies checklists so you avoid common mistakes when registering
- Provides sample registration forms and letters to obtain the relevant authorisations
- Lists addresses and contact details of key agencies in Moscow

Much of this information is simply unavailable elsewhere and will be of real practical everyday use to anyone intending to do business in Russia, as well as legal, financial, accounting and other advisors.

The Guide to Registering Companies in Moscow is available exclusively from Financial Izvestia — to order your copy, see below.

FINANCIAL IZVESTIA

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Global risk managers and insurance brokers

Rollins Hudig Hall announce the formation of RHH Surety and Guarantee Ltd following its recent acquisition of the business and assets of construction and engineering surety bond specialists Surety and Guarantee Consultants Ltd. Mr Roger Lewis and Mr John Frost will remain as joint managing directors. The new company will continue to operate from its East Sussex offices.

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ITOCHU CORPORATION (C. ITOH & CO. LIMITED) ANNOUNCE THE FOLLOWING

It has been determined at a Board Meeting held on 12th November, 1993 that the Interim Dividend for the year ended 31st March, 1994, shall be paid to Shareholders of record as of 30th September, 1993 at the rate of 3.00 Yen per share on and after 8th December, 1993.

Semi-Annual Report for six months ended 30th September, 1993 will be available at Hambros Bank Limited and Banque Internationale à Luxembourg by the end of December, 1993.

Hambros Bank Limited

Message:

REUTERS 1000 RECEIVES TOP EUROPEAN SERVICE AWARD

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Floating rate notes 1998

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INTERNATIONAL COMPANIES AND FINANCE

Citic arm forms China investment vehicle

By Nikki Tait in Sydney

Citic Australia, part of the fast-expanding Beijing-based investment company, is joining with Hambros Australia to launch a quoted investment vehicle which will make direct equity investments in China.

The new company aims to tap growing institutional interest in this area, and claims to be the first Australian company to focus on equity investment in China.

The initial funds are relatively modest – 35m shares are being issued at A$1 each. However, subscribers will also have an option to purchase one further share, at the same price, before May 1995.

Citic and Hambros say that this is partly because of a requirement that 50 per cent of the funds raised be invested within six months. This could become difficult if the sums were larger, given the limited scale of Chinese stockmarkets.

The aim is for about 25 per cent of the fund's assets to be invested in shares quoted on the Shanghai or Shenzhen exchanges. Foreigners can only buy "B" shares, and only 18 companies on the SHSE and 19 on the SZSE offer these.

However, the fund notes that several new issues are planned over the next nine months, and intends to keep around one-quarter of its assets liquid in order to participate in these offerings. It will also put about one fifth of the fund into unlisted groups.

The remaining 30 per cent will be split between Chinese companies listed in Hong Kong, and companies listed elsewhere which do the bulk of their business in China.

Increase in demand helps lift Japanese gas groups

By Emiko Terazono in Tokyo

Utilities

Japan's leading gas companies lifted interim earnings, due to increased demand for hot water during an unusually cold summer, and the fall in fuel prices due to the appreciation of the yen.

However, the companies are required to pass on the foreign exchange benefits to consumers during the second half, and are expecting lower annual profits.

Tokyo Gas saw half-year non-consolidated pre-tax profits rise 211.2 per cent to Y14.4bn ($133m) on a 4.9 per cent rise in sales to Y367.9bn and an 82.8 per cent increase in after-tax profits to Y7.5bn.

Demand for gas rose 6.2 per cent to Y270.7bn. Household gas sales rose 6.2 per cent in volume, while industrial gas sales rose 21 per cent. Fuel costs fell 3.8 per cent to Y54.8bn, due to the rise in the yen from Y127.60 against the dollar to Y107.74. The company also saw a 3.8 per cent decline in administrative costs to Y49.6bn.

For the full year to March, Tokyo Gas expects a 2 per cent fall in pre-tax profits to Y35bn on a 3.3 per cent rise in sales to Y813bn.

The company forecasts a Y1.7bn rise in its deficit of financial items, and plans annual capital spending of Y157.6bn against depreciation of Y100bn.

Osaka Gas posted a 51.9 per cent rise in interim unconsolidated pre-tax profits to Y10.9bn on a 3.1 per cent increase in sales to Y286.2bn. After-tax profits advanced 15.5 per cent to Y5.7bn.

The company said a worsened balance of financial items limited the rise in pre-tax profits. Overall gas sales increased 7.3 per cent in volume.

For the full year to March, the company expects a 1.2 per cent fall in pre-tax profits to Y35bn and a 1.7 per cent rise in sales to Y636bn.

Capital spending for the year is expected to total Y111.9bn, down 4.2 per cent from the previous year.

Australia's CSR lifts payout by 20% after strong first half

By Nikki Tait

CSR, the large Australian timber, building materials, aluminium and sugar group, yesterday reported a 28 per cent rise in first-half profits after tax and abnormal items, at A$173m (US$114.2m).

Total revenue in the six months to end-September rose by 17 per cent to A$2.83bn. Abnormals were nil, compared with a A$9.9m surplus in the first six months of 1992-93.

CSR traditionally enjoys a stronger trading period in its first half.

However, Mr Geoffrey Kells, managing director, yesterday stressed that the company expected the "strong profit improvement" to continue into the second half, and the overall results for the year to end-March 1994, to be "substantially higher" than last time's A$211.2m (after tax but before abnormals).

The interim dividend is being increased by 20 per cent, to 12 cents a share. With the figures exceeding analysts' expectations, CSR shares bucked a falling stock market yesterday and added 2 cents to A$4.70.

CSR said that the improvement came from all divisions, with operating profit before interest, foreign exchange considerations and tax rising by 18 per cent to A$328.8m.

The core Australian building and construction materials division saw operating profits of A$127.5m, against A$118.6m last time; the North American construction materials business made A$70.7m, up from A$56.1m; timber products, helped by productivity gains and higher sales volume, more than doubled to A$35.5m from A$14.9m; and aluminium, in spite of depressed prices, contributed A$36.9m, compared with A$18.8m.

The weakest spot was the sugar division, where operating profits were marginally higher at A$87.5m, against A$86.9m. CSR blamed "intense" competition in Australia's refined sugar markets, and stressed that it was still arguing its case before the Trade Practices Commission, which last week provisionally ruled against a refined sugar joint venture between CSR and Mackay Refined Sugar.

Bubble's collapse hits Japan's builders

By Robert Thomson in Tokyo

Construction

The "tenants wanted" signs plastered on buildings around Tokyo and Osaka tell as much about the difficulties of Japan's construction companies as their interim profit statements, which detailed rapidly slowing orders and generally falling profits.

In the late 1980s, the so-called "bubble era", the contractors were aggressive developers of office buildings and resorts in Japan and abroad. They prospered from a surge in investment by ambitious Japanese manufacturers, which expanded plant capacity in the expectation of demand that has yet to materialise.

The bubble's collapse has left the contractors unable to fill their own buildings and resorts, and facing a continuing decline in orders from private customers. To add to the woes, construction companies are at the centre of the latest political scandal and some excluded from public works bidding, the only area of potential growth this year.

The interim statements reveal some of the bruises, but have yet to show the effects of the sharp fall in orders this year. In the first half, the Federation of Construction Companies said orders were 22.3 per cent lower than a year ago, marking three years of contraction since the peak reached in the first half of 1990.

Kajima, the latest company to be implicated in the political scandal, reported a 12.2 per cent fall in sales in the six months to September, and a 16.7 per cent slide in pre-tax profit. Shimizu reported a 3.7 per cent increase in sales, but a 3.8 per cent drop in pre-tax profit and a 32 per cent fall in net profit.

The damage was more severe at Kumagai Gumi, which saw a 25.9 per cent fall in sales, a 74.5 per cent drop in pre-tax profit, and a 92.4 per cent plunge in net profit, which was a thin Y323m.

INTERIM RESULTS, 1993-94 (Ybn)	Sales	Change %	Pre-tax profit	Change %
Shimizu	955.6	+3.7	49.0	-3.8
Kajima	786.2	-12.2	37.6	-16.7
Taisei	789.5	-11.0	31.8	-30.8
Obayashi	725.9	+18.7	37.5	+133.5
Kumagai	332.4	-25.9	3.1	-74.5
Daiwa House	568.6	-1.3	58.1	-11.0

Source: [illegible]

Obayashi was the exception, reporting an 18.7 per cent rise in sales, and a 133.5 per cent increase in pre-tax profit and a similar leap in net profit, which it attributed to a cost-cutting drive. However, the contractor said orders for the period were down 32.4 per cent on a year earlier.

The fall in orders was repeated at other leading contractors. Taisei said that its orders received slipped 38.6 per cent, Kajima 24.9 per cent, Shimizu 32.1 per cent, and Kumagai Gumi 13.4 per cent.

Private construction tends to account for about two-thirds of orders, but contractors had hoped that three stimulatory packages over the past year would lead to an increasing flow of public works orders.

The bribery scandals have hurt the industry through the bidding suspensions imposed on some companies, but the damage has been larger than expected because government authorities have delayed awarding contracts, fearing the embarrassment that would be caused if the chosen company was implicated in the scandal.

The trend was reflected in a 19 per cent fall in public works orders during the first half, and the industry is hoping that delayed contracts will be awarded early next year. But companies whose executives are alleged to have given illegal donations to politicians could still be overlooked even if the formal suspension on bidding is lifted.

Construction ministry officials are reviewing the "designated bidder" selection process for public works projects. The scheme has been blamed for encouraging corruption among authorities responsible for designating the bidding companies and for encouraging collusion among the companies, which often decide the bid prices among themselves.

Private construction orders are unlikely to recover for at least a year. Manufacturers, which account for about 20 per cent of private orders, are continuing to cut capital spending, and new factories are likely to be established in China or elsewhere in east Asia.

Residential demand has been rising in recent months, as reflected in a relatively small 1.3 per cent decrease in sales at Daiwa House, which had an 11 per cent fall in pre-tax profits. Orders during the period were Y476bn, compared with Y472bn in the same period last year.

Larger contractors' profits are more closely linked to commercial building demand, which has been undermined by the continuing flow of completions that were commissioned during the bubble era. According to the Co-operative Credit Purchasing Company, established by Japanese banks to clear their property-related bad loans, commercial prices are expected to continue falling for at least another year.

For the full year to March, Kajima is expecting pre-tax profits to fall by 29 per cent, Taisei by 34 per cent, Shimizu by 24 per cent, and Kumagai Gumi 69 per cent. Obayashi is forecasting a 22 per cent rise in pre-tax profit to Y60bn ($561m).

NEWS DIGEST

Tata Steel plunges to Rs46m

Tata Iron and Steel, India's second-largest private company, saw first-half net profits plunge to Rs46.3m ($1.47m) from Rs502.2m a year ago, as a result of worldwide recession, writes R.C. Murthy in Bombay.

Sales rose by 2 per cent to Rs15.05bn as the company focused on exports, which jumped to Rs3.74bn from Rs2.61bn in a year, to increase plant capacity utilisation.

Operating profits rose by nearly a fifth to Rs2.19bn, partly due to changes in accounting practices.

But the higher interest burden at Rs973.9m, compared with Rs786.6m, and depreciation provisions of Rs1.34bn cut net profits drastically to Rs46.3m from Rs502.2m in the same period last year.

Austrian utility to be sold

BURGENLAND Holding, an Austrian regional electricity and gas holding company, is to be fully privatised next month with the sale of the Burgenland provincial government's 80 per cent stake.

Local banks will also sell their 21 per cent stake, writes Patrick Blum in Vienna.

The nominal value of the shares on offer is Sch153m ($12.7m) and an asking price will be set on December 3.

Weak demand hits Ricoh sales

Weak demand for office equipment in Japan and in its main overseas markets took sales at Ricoh, the maker of copiers and information equipment down 12 per cent to Y295.2bn ($2.76bn) from a previous Y336.1bn, writes Michiyo Nakamoto in Tokyo.

However, an improved non-operating balance lifted its pre-tax profit by 38 per cent to Y6.19bn.

Ricoh saw revenues from its copiers drop significantly in the export market, which offset a moderate rise in domestic sales.

Information equipment was, however, shunned both in Japan and overseas, while sales of photographic equipment took a sharp downturn in overseas markets.

Ricoh is strengthening its overseas procurement and production activities.

However, it does not expect the market to recover significantly in the second term despite government efforts to lift domestic demand.

The company is forecasting a 9 per cent drop in sales for the full year to Y592bn and a 12 per cent increase in pre-tax profits to Y13bn.

Nippon Shinpan declines 35%

Nippon Shinpan, the consumer credit company, suffered a 35.3 per cent fall to Y4.9bn in pre-tax profit for the first half to September, as Japanese consumer spending weakened during the period and the company increased provisions for non-performing loans, writes Robert Thomson.

Turnover during the six months fell 8.4 per cent to Y2,603.9bn, although the company said the number of credit cards issued during the period rose, partly because of the success of a card linked to Japan's popular and newly-professionalised soccer league.

Retail sales slipped as consumers lost confidence in the face of reductions in overtime and smaller annual bonuses, which directly affect Nippon Shinpan, the largest Japanese provider of credit card services.

The government, under pressure from Japanese industry, is debating whether an income tax cut will revive consumer confidence, though a decision is unlikely before the financial year ends in March.

For the full year, Nippon Shinpan expects a pre-tax profit of Y13.6bn, compared to Y14.3bn last year, and a net profit of Y3.4bn, down from Y4.7bn.

BAT affiliate advances

ITC, the Indian affiliate of BAT Industries of the UK, posted net profits of Rs890.2m ($28.7m) for the first half to September. Sales were Rs20.87bn, up 16 per cent over the same period in the previous year, R.C. Murthy writes.

Guide to World Currencies

The FT Guide to World Currencies, previously published on Tuesdays, will in future be published on Mondays. In yesterday's paper, it appeared on page 25 in the UK and page 20 overseas. Readers who missed can obtain a copy by fax. To use this service, dial 0891-437 001 from your fax machine. When the FT fax service answers with an electronic tone, press the start button on your machine and hang up the handset. Calls are charged at 36p/minute cheap rate, 48p/minute at other times. The service is available in the UK only.

German money supply figures lower European prices

By Sara Webb in London and Patrick Harverson in New York

Higher-than-expected German money supply figures disappointed many of the European government bond markets yesterday, fuelling fears that the next cut in key German interest rates could still be some way off.

GOVERNMENT BONDS

However, the biggest movement came in the Italian market where the municipal election results prompted a two-point tumble in Italian government debt prices.

■ German government bonds lost half a point as the Bundesbank reported that M3 expanded by a seasonally adjusted annualised 6.8 per cent, unchanged on September and outside the central bank's target range of 4.5 per cent to 6.5 per cent.

Many market participants were disappointed as they had expected M3 to show signs of slowing down in October. Six-month bank lending jumped to a 9.2 per cent annualised rate. "The news of a 9.2 per cent increase in bank lending to the non-bank private sector was especially bad", said Mr Julian Callow, European economist at Kleinwort Benson.

While the market had hoped that the Bundesbank would cut its official interest rates in December, yesterday's money supply news is forcing some market players to contemplate a delay in the cuts.

However, some dealers pointed out that if the November cost-of-living figures for the various states – due to be released later this weak – show a fall, the Bundesbank would still have scope to ease sooner rather than later.

The December bund futures contract traded at 99.77 by late afternoon, down 0.50 point from Friday's close.

■ Italian government bonds fell nearly two points before regaining some of the lost ground as the mainstream political parties suffered a crushing defeat in municipal elections at the weekend.

Foreign investors and domestic institutions were heavy sellers of Italian paper, and by afternoon, rumours were circulating that the Italian authorities were buying paper to support the market and stem a further fall. The Liffe BTP futures contract settled at 112.64, down 189 basis points.

Dealers said the Italian bloodbath was prompted by fears that the municipal election results would weaken the central government and jeopardise its economic plans, creating uncertainty over the budget legislation.

■ Spanish government bonds lost nearly half a point in line with other European markets on the back of disappointing German M3 figures and the turmoil in Italy.

However, some dealers are hoping to see a quarter point easing at today's repo, taking the rate from 9.25 per cent to 9.00 per cent.

■ The combination of weakness in the continental European fixed income markets and pre-Budget jitters pushed UK government bond prices lower by as much as ¾ point at the long end, in spite of the good inflation background revealed by last week's economic data which had raised hopes of a base rate cut.

The 7¼ per cent gilt due 1998 slipped ⅛ to 104¼ by late afternoon while the 8¾ per cent gilt due 2017 dropped ¾ to 118¼.

■ US government securities eased slightly across the board yesterday morning as dealers lightened their loads ahead of the Treasury auction.

By midday, the benchmark 30-year government bond was down ⅛ at 98⅜, yielding 6.334 per cent. At the short end of the market, the two-year note was down ⅛ at 99⅝, to yield 4.213 per cent.

Prices opened marginally firmer in the wake of some dealer short-covering, but with sentiment still fragile in the wake of the recent string of upbeat economic reports, the market was unable to hold on to its early gains.

By mid-morning prices had slipped into negative territory along the yield curve as dealers sold securities to prepare for sale of $17bn in two-year notes. The auction took place earlier than usual at 11.30 am and it was not clear by midday whether it had gone well.

■ Yesterday saw a steepening in the yield curve for Japanese government bonds as the sharp fall in the stock market and lower money market rates helped to buoy up short-dated paper, while fear of supply in the 10-year area held back prices at the long end.

Japanese bank raises DM600m with 10-year issue

By Antonia Sharpe

Export-Import Bank of Japan made its first appearance in the D-Mark sector of the international bond market yesterday when it raised DM600m through an issue of 10-year Eurobonds.

The proceeds of the offering were swapped into dollars and the borrower was thought to have achieved its ambitious funding target of 10 to 15 basis points below Libor.

INTERNATIONAL BONDS

Exim's bonds were priced to yield 18 basis points over German government bonds (bunds), reflecting the borrower's triple-A rating and its rarity value in the market.

Lead manager IBJ said the bonds sold quickly in spite of the weakness in the bund market. Demand from investors in south-east Asia and in continental Europe, excluding Germany, was particularly strong, IBJ said.

When the bonds were freed to trade, they eased to 98.80 bid from a re-offer price of 99.035 but the fall was far smaller than the half-point drop in bunds. The spread on the bonds tightened to 18 basis points at one stage in the afternoon.

The weakness in the German government bond market is unlikely to dissuade more borrowers from launching D-Mark Eurobond issues. Depfa, the German mortgage bank, plans to make its last big Eurobond offering of the year, a DM1bn issue of 10-year Eurobonds, within the next two weeks.

The mandate is likely to be awarded jointly to a German bank and an American bank. Depfa is aiming for a yield spread on the bonds of 25-26 basis points over the 6 per cent bund due 2003.

Cable & Wireless's well-flagged $400m offering of 10-year Eurobonds is due to be launched today and could well be the last big corporate Eurodollar offering of the year. The bonds, via JP Morgan, are likely to be priced to yield between 70 and 75 basis points over US Treasuries.

Rival market gives Bombay impetus to reform

India is to get a new stock exchange that will end a 128-year-old monopoly. **Stefan Wagstyl** reports

The Bombay stock exchange, India's largest share market, is bracing itself for competition. Its 128-year-old monopoly of stock trading in Bombay will end with the opening next year of a high-technology National Stock Exchange.

The NSE plans to start by trading bonds, but intends to go into equities, the core of the BSE's business, by the autumn of 1994.

The new exchange's official purpose is to develop markets in government and corporate bonds, which are still in their infancy in India. But the real intent of the government's finance ministry, which is backing the NSE, is to force the BSE to overhaul its antiquated procedures and abuse-prone practices. As Mr R.H. Patil, the NSE's managing director, says: "The BSE brokers are very worried about us. Part of our aim will be met if other exchanges change and reform their markets."

Bombay brokers retort they are not scared of competition. Clients who have used the exchange for years are not likely to desert overnight, they claim. They say the BSE is busy on reforms to increase transparency and investor protection under the guidance of the Securities and Exchange Board of India, the newly-created markets' watchdog.

Brokers do admit the NSE's formation has given the BSE a new impetus to reform. Mr G.B. Desai, BSE president, says: "The authorities have a bad impression of the BSE. We must change our way of working. We are changing and will be ready by the time the NSE starts trading equities."

Mr Desai says the BSE's reputation for tolerating unfair or dishonest practices has been created largely by the publicity given to a handful of scandals, such as last year's affair involving Mr Harshad Mehta, a broker who allegedly illegally diverted funds from banks into the market. Indian companies have this year been raising record amounts in new issues; new investors, including foreign financial institutions, have been active on the exchange. "Business is pouring into the BSE," says Mr Desai. "If we worked only for the benefit of the brokers, would this business have come to us?"

Until now, clients have had little choice, since the Bombay exchange faced competition only from smaller local exchanges in cities including Delhi, Calcutta and Madras. The NSE will be a different matter.

The NSE is being established at a cost of about $6m by the government-owned financial institutions which dominate the shareholders' registers under the leadership of the Industrial Development Bank of India, a development bank.

Starting in April, the NSE will trade bonds issued by the Indian government, by public sector enterprises and by private sector companies. Secondary trading in these instruments is now limited to an informal inter-bank market. Most paper is held by banks and other institutions from issue to maturity, so little trading takes place. NSE officials hope the new exchange will encourage trading, so promoting liquidity and greater efficiency in India's debt markets. The initial members will be about 20 banks and other financial institutions, which will operate as primary dealers. Membership for the NSE's equity market will be wider and will include stockbrokers.

Unlike the BSE, where trading takes place mainly on a trading floor, the NSE will be screen-based. Its main computers will be connected to terminals in members' offices in Bombay and – via satellite – in other cities across India. Mr Patil says the satellite links will make the NSE India's first national financial market.

The BSE hopes to have its own computer-controlled screen-based price quotation system by June, albeit for a limited number of heavily-traded shares. Trading in all actively-traded stocks is to be computerised by March 1995.

Screen-based price-setting will not revolutionise stock trading in India unless settlement procedures are modernised. One problem – for the BSE and the NSE – is that transactions are completed by the physical transfer of securities via the broker. Financial institutions have a computerised depositary for shares, but its operation is limited to a handful of institutions.

Mr Patil says that larger brokers on the BSE see the benefits of a transparent and efficient computerised system and will gravitate towards the NSE. Mr Desai believes the BSE will modernise in time to retain its grip on business. "We plan to remain the largest exchange in India," he says.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US DOLLARS							
Santander Intl. (Cayman)‡	300	(a)	99.63R	Dec.1998	0.15R	-	SBCI/ Santander de Neg.
Toyota Motor Finance (Neths)	300	4.50	99.065R	Dec.1996	0.1875R	+22 (4¼%-96)	Merrill Lynch Intl.
Petacalco Topolobampo	250	(b)#	(b)R	Dec.2003	1.00R	(b) (5¾%-03)	Salomon Brothers Intl.
Dowa Mining(c)◊	130	1.125	100.00	Dec.1997	2.25	-	[illegible]
Kumagai Gumi (HK) Finance(d)§	100	(4⅝-5)	100.00	Dec.1998	2.50	-	CS First Boston
Tesalo Shinju(e)◊	100	1.125	100.00	Dec.1997	2.25	-	Daiwa Europe
D-MARKS							
Norddeutsche Landesbank Fin.	1bn	6.00	99.07R	Jan.2004	0.325R	+31 (6%-03)	Lehman Brothers Bankhaus
Exim Bank of Japan	600	5.875	99.035R	Dec.2003	0.325R	+18 (6%-03)	IBJ (Deutschland)
AUSTRIAN SCHILLINGS							
Republic of Venezuela	750	8.00	100.90	Dec.1995	1.35	-	Creditanstalt-Bankverein

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. §Convertible. ◊With equity warrants. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) Coupon pays 3-month Libor flat. b) Priced tommorow at 230-245bp over Treasuries. c) Fixing: 30/11/93. d) Fixing approx. 1/12/93. Overallotment option: $15m. Callable from 8/12/95, subject to 140% rule or if 90% of bonds are converted, at 103% declining 1% per annum. e) Fixing: 29/11/93.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	10/02	120.7600	-0.700	6.65	6.68	6.54
Belgium		9.000	03/03	114.1000	-0.350	6.89	6.94	7.11
Canada *		7.500	12/03	103.6000	-0.600	6.97	6.84	6.66
Denmark		9.000	05/03	115.3700	-0.100	5.84	6.40	6.34
France	BTAN	5.500	05/98	109.4400	-0.120	5.29	6.09	6.11
	OAT	6.750	10/03	105.0000	-0.740	5.98	6.06	[illegible]
Germany		6.000	09/03	101.0300	-0.360	5.86	5.81	5.87
Italy		9.000	10/03	97.4400	-1.860	9.40†	9.04	9.05
Japan	No 119	4.800	06/99	108.8610	+0.250	2.95	2.87	3.11
	No 157	4.800	03/03	107.6840	+0.460	3.50	3.54	3.71
Netherlands		6.500	04/03	104.7600	-0.470	5.82	5.80	5.50
Spain		10.500	10/03	112.9500	-0.050	8.51	8.60	8.43
UK Gilts		9.750	01/98	112-29	-4/32	6.13	6.19	6.12
		8.000	06/03	108-22	-16/32	6.75	6.75	6.77
		9.000	10/08	117-10	-23/32	7.10	7.11	7.12
US Treasury *		5.750	08/03	99-09	-4/32	5.85	5.66	5.48
		6.250	08/23	98-25	+1/32	6.34	6.17	6.05
ECU (French Govt)		6.000	04/03	111.7000	-0.300	6.30	6.42	6.37

London closing, *New York mid-day. Yields: Local market standard
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	114.10	112.64	-1.89	114.36	112.45	79636	98906
Mar	114.34	112.79	-1.75	114.34	112.59	7525	13311

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Dec	CALLS Mar	PUTS Dec	PUTS Mar
11250	0.14	2.27	0	1.58
11300	0	2.02	0.36	2.23
11350	0	1.80	0.86	2.51

Est. vol. total, Calls 6254 Puts 5134. Previous day's open int., Calls 59171 Puts 41263

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	103.10	102.64	-0.49	103.20	102.34	54,256	89,516
Mar	103.15	102.96	-0.39	103.35	102.75	9,170	8,247
Jun	-	104.00	-	-	-	-	50

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	124.36	123.80	-0.70	124.36	123.76	11,412	153,287
Mar	128.16	127.56	-0.74	128.16	127.52	708	42,231
Jun	127.60	127.00	-0.72	127.60	127.20	-	2,453

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Dec	CALLS Mar	CALLS Jun	PUTS Dec	PUTS Mar	PUTS Jun
122	1.82	-	-	0.01	-	-
123	0.85	-	-	0.04	0.11	-
124	0.14	-	-	0.33	0.16	-
125	0.01	-	-	1.18	0.32	-
126	0.01	-	2.27	-	0.56	1.15
127	-	1.51	-	-	0.90	-

Est. vol. total, Calls 18,723 Puts 30,071. Previous day's open int., Calls 323,616 Puts 276,066.

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	115-19	115-04	-0-21	115-21	115-02	70925	117678
Mar	114-30	114-15	-0-20	114-30	114-13	11956	14215

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Dec	CALLS Mar	PUTS Dec	PUTS Mar
115	0-17	1-31	0-09	2-01
116	0-01	1-05	0-57	2-39
117	0	0-49	1-56	3-19

Est. vol. total, Calls 15613 Puts 3332. Previous day's open int., Calls 86891 Puts 63029

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	100.10	99.79	-0.48	100.19	99.73	131182	168911
Mar	100.20	99.90	-0.46	100.25	99.85	6770	24180
Jun		99.80	-0.46			0	50

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Dec	CALLS Mar	PUTS Dec	PUTS Mar
9950	0.34	1.06	0.05	0.66
10000	0.06	0.79	0.27	0.89
10050	0.01	0.56	0.72	1.16

Est. vol. total, Calls 16626 Puts 13006. Previous day's open int., Calls 246610 Puts 196339

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	102.99	102.84	-0.20	103.00	102.76	2474	23319
Mar		102.97	-0.19			0	9

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	120.36	119.84	-0.62	120.36	119.84	185	12,202
March	119.70	119.34	-0.62	119.70	119.68	-	1,037

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Dec	115-03	115-00	-	115-03	114-17	534,609	278,026
Mar	113-24	113-23	+0-01	113-24	113-08	26,784	62,01
Jun	112-08	112-20	-0-04	112-20	112-08	711	8,103
Sep	-	111-22	-	-	-	278	12,334

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Dec	114.90			114.90	114.86	135	0
Mar	114.15			114.16	114.02	901	0

* LIFFE contracts traded on APT. All Open Interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Mon Nov 22	Day's change %	Fri Nov 19	Accrued interest	xd adj. ytd		Low coupon yield Nov 22	Low coupon yield Nov 19	Low coupon yield Yr. ago	Medium coupon yield Nov 22	Medium coupon yield Nov 19	Medium coupon yield Yr. ago	High coupon yield Nov 22	High coupon yield Nov 19	High coupon yield Yr. ago
1 Up to 5 years (25)	129.34	-0.03	129.39	2.06	10.03	5 yrs	6.04	6.00	7.11	[illegible]	6.35	7.46	6.40	6.37	7.87
2 5-15 years (21)	157.86	-0.36	158.23	2.28	11.56	15 yrs	6.95	[illegible]	[illegible]	7.00	7.00	8.72	7.24	7.16	[illegible]
3 Over 15 years (9)	179.46	-0.67	180.67	3.05	10.04	20 yrs	7.04	[illegible]	8.52	7.18	[illegible]	[illegible]	[illegible]	7.29	8.31
4 Irredeemables (6)	210.35	[illegible]	211.16	0.90	13.47	Irred.†	7.15	7.10	[illegible]						
5 All stocks (61)	153.08	[illegible]	153.57	2.36	10.93										

Index-linked							Inflation 5% Nov 22	Inflation 5% Nov 19	Inflation 5% Yr. ago	Inflation 10% Nov 22	Inflation 10% Nov 19	Inflation 10% Yr. ago
6 Up to 5 years (2)	190.56	-0.16	190.86	0.70	4.26	Up to 5 yrs	2.17	2.11	2.36	1.28	1.29	1.57
7 Over 5 years (11)	187.05	-0.46	187.92	1.11	4.29	Over 5 yrs	3.12	[illegible]	3.76	[illegible]	2.90	3.60
8 All stocks (13)	186.49	-0.43	187.30	1.07	4.27							

Debentures and Loans						5 year yield Nov 22	5 year yield Nov 19	5 year yield Yr. ago	15 year yield Nov 22	15 year yield Nov 19	15 year yield Yr. ago	25 year yield Nov 22	25 year yield Nov 19	25 year yield Yr. ago
9 Debs & Loans (65)	144.63	-0.20	144.92	2.11	10.14	7.92	7.90	[illegible]	[illegible]	7.99	8.91	8.15	8.16	10.18

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. [illegible]

FT FIXED INTEREST INDICES

	Nov 22	Nov 19	Nov 18	Nov 17	Nov 16	Yr ago	High*	Low*
Govt. Secs. (UK)	103.45	103.69	103.84	103.54	103.13	93.59	103.84	93.28
Fixed Interest	124.05	124.18	124.15	123.78	123.47	108.80	125.20	108.67

Basis 100: Government Securities 15/10/26 and Fixed Interest 1928.
* for 1993. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75)
Fixed Interest high since compilation: 125.20 (1/9/93), low 50.53 (3/1/75)

GILT EDGED ACTIVITY INDICES

	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15
Gilt Edged bargains	97.0	[illegible]	114.5	107.4	142.2
5-day average	125.1	120.0	117.1	116.9	134.8

SE activity indices rebased 1992.

UK GILTS PRICES

	Notes	Yield Int	Yield Red	Price £	+ or -	1993 High	1993 Low
"Shorts" (Lives up to Five Years)							
Treas 8½pc 1994		8.45	5.46	100⅜	-1/16	102⅝	100⅜
14½pc 1994‡‡		14.14	5.23	102⅝	-1/16	109¼	102⅝
Exch 13½pc 1994		13.05	5.22	103½	-1/16	109⅜	103½
Treas. 10pc Ln. 1994‡‡		9.75	5.25	102⅝xd	—	105⅝	102⅛
Exch 12½pc 1994		11.88	5.24	105¼	-1/16	110⅛	105¼
Treas 9pc 1994‡‡		8.69	5.24	103⅝	—	105⅝	103⅜
12pc 1995		11.16	5.29	107½	-1/16	111⅝	107½
Exch 3pc Gas 90-95		3.08	4.91	97⅜	—	97⅜	94
10¼pc 1995		9.52	5.37	107⅝	-1/16	109⅞	107⅛
Treas 12¾pc 1995‡‡		11.22	5.41	113⅝	-1/16	116⅞	113½
14pc 1996		11.98	5.52	117⅛	-1/16	120⅝	117⅛
15¼pc 1996‡‡		12.52	5.60	121⅞	-⅛	125⅝	121⅝
Exch 13¼pc 1996‡‡		11.28	5.63	117½	-⅛	120⅝	115¼
Conversion 10pc 1996		8.97	5.75	111½	-1/16	112⅞	108⅝
Treas 13¼pc 1997‡‡		10.96	5.90	120⅝	-⅛	122⅞	118½
Exch 10½pc 1997		9.28	5.91	113⅜	-⅛	114⅝	110⅝
Treas 8¾pc 1997‡‡		8.00	5.94	109⅜	-⅛	109⅞	105½
Exch 15pc 1997		11.49	6.12	130⅝	-⅛	132⅝	127⅝
9¾pc 1998		8.63	6.16	112⅞	-⅛	113⅝	109⅛
Treas 7¼pc 1998‡‡		[illegible]	6.06	104⅛	-⅛	104⅝	99⅝
7¼pc 1998 B‡‡		6.94	6.07	104⅝	-⅛	104⅝	101⅝
Treas 6¾pc 1995-98‡‡		6.63	5.47	101¾	+1/32	101¾	97⅝
14pc '98-1		10.82	6.38	129⅝	-⅛	129⅞	125⅛
Five to Fifteen Years							
Treas 15½pc '98‡‡		11.22	6.27	138⅛	-⅛	138⅝	133⅞
Exch 12pc 1998		9.70	6.40	123⅝	-⅛	124¼	118⅞
Treas 9½pc 1999‡‡		8.36	6.35	113⅝	-⅛	114⅛	108⅞
Exch 12¼pc 1999		9.74	6.49	125⅛	-⅛	126⅜	120⅛
Treas 10½pc 1999		8.84	6.40	118⅝	-⅛	119⅛	112⅞
Treas 6pc 1999 (£50pd)‡‡		6.05	6.24	48⅝	-⅛	49⅝	48¼
Conversion 10¼pc 1999		8.64	6.47	118⅝	-⅛	119⅝	112⅞
9pc 2000‡‡		7.96	6.48	113⅛	-⅛	113⅝	106
Treas 13pc 2000		9.75	6.71	133⅜	-⅛	133⅞	125½
10pc 2001		8.43	6.72	118⅝	-⅛	119⅝	109⅝
7pc '01‡‡		6.89	6.58	102⅛	-⅛	103⅛	97⅝
9¾pc 2002		8.19	6.84	119	-⅛	119⅝	108⅛
8pc 2003‡‡		[illegible]	6.75	108⅛xd	-⅛	109½	97⅛
10pc 2003		8.19	6.87	122⅛	-⅛	122⅞	109⅝
Treas 11½pc 2001-4		9.14	6.94	125⅝	-⅛	125⅞	116⅞
Funding 3½pc '99-4		4.34	6.01	80⅝	[illegible]	81⅝	67⅝
Conversion 9½pc 2004		7.95	6.93	119⅝	-⅛	120⅝	105⅝
Treas 6¾pc 2004		6.77	6.80	99⅝	-⅛	100⅝	97⅛
Conv 9½pc 2005		[illegible]	6.97	119⅝	-⅛	120⅝	105⅝
Treas 12½pc 2003-5		9.06	7.14	137⅝	-⅛	138⅝	124⅛
7¾pc 2006‡‡		7.28	6.98	106⅛	-⅛	107⅛	94⅝
8pc 2002-6‡‡		7.47	6.92	107⅛	-⅛	107⅝	94⅛
Treas 11¾pc 2003-7		8.86	7.10	130⅝	-½	131⅛	118⅝
Treas 8½pc 2007‡‡		7.56	7.06	112½	-⅛	113⅝	97⅛
8½pc 2007 C‡‡		7.55	7.07	112⅝	-⅛	113½	108⅛
13½pc '04-8		9.26	7.16	145⅝	-⅛	146⅝	131⅛
Over Fifteen Years							
Treas 9pc 2008‡‡		7.66	7.09	117⅝	-⅛	118⅛	101¼
8pc 2009		7.38	7.12	108⅛	-⅛	109⅛	92⅛
Conv 9pc Ln 2011‡‡		7.59	7.14	118⅝	-⅛	119⅝	100⅝
9pc 2011 D‡‡		7.58	7.15	118⅝	-⅛	119⅝	116⅝
Treas 9pc 2012‡‡		7.56	7.13	119⅛	-⅛	120⅛	100⅛
Treas 5½pc 2008-12‡‡		6.32	6.75	87⅛	-⅛	88⅛	70⅛
Treas 8pc 2013‡‡		7.32	7.12	109⅛	-⅛	110½	93⅝
7¾pc 2012-15‡‡		7.23	7.06	107⅛	-⅛	108⅛	90⅝
Treas 8¼pc 2017‡‡		7.38	7.12	118⅛	-⅛	119⅛	97⅛
Exch 12pc '13-'17		8.05	7.31	149xd	-1⅛	150⅛	125⅝
Undated							
Consols 4pc		7.26	-	55⅛	-⅛	55⅛	43⅞
War Loan 3½pc‡‡		7.09	-	49⅛xd	-⅛	49⅞	38⅞
Conv 3½pc '61 Aft.		5.21	-	67⅛	-⅛	67⅛	60⅞
Treas 3pc '66 Aft.		7.34	-	40⅝	-½	41⅝	33½
Consols 2½pc		6.97	-	35⅝	+¼	36	28⅞
Treas 2½pc		7.25	-	34½	-⅛	34⅝	27⅝

Index-Linked	Notes	Yield (1)	Yield (2)	Price £	+ or -	1993 High	1993 Low
	(b)						
Treas. 2pc '94	(102.9)	-	-	136⅝	+1/16	136⅝	131⅝
2pc '96	(67.9)	1.06	2.03	202⅝	-⅛	203⅝	194⅝
4⅝pc '98‡‡	(135.6)	1.45	2.13	112⅛	-⅛	112⅝	105⅛
2½pc '01	(78.3)	2.43	2.81	172⅛	-½	173⅛	159
2½pc '03	(78.8)	2.62	2.93	168⅝	-½	169⅝	155
4⅛pc '04‡‡	(135.6)	2.88	2.98	114⅛	-½	115⅝	105½
2pc '06	(69.5)	2.69	2.93	178⅝	-⅛	180⅛	159¼
2½pc '09	(78.8)	2.86	3.07	162⅝	-⅛	164⅛	144
2½pc '11	(74.6)	2.92	3.11	169⅝	-⅛	170⅝	148⅝
2½pc '13	(89.2)	2.96	3.13	140⅛	-⅛	141⅛	122⅛
2½pc '16	(81.6)	3.00	3.17	150⅛	-⅛	151⅞	130⅝
2½pc '20	(83.0)	3.06	3.20	145⅝	-⅛	147	124⅝
2½pc '24‡‡	(97.7)	3.06	3.19	122⅛	-⅛	123½	102⅝
4⅛pc '30‡‡	(135.1)	3.08	3.21	121⅞	-⅛	123⅛	103⅛

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for March 1993: 139.3 and for October 1993: 141.8.

Other Fixed Interest

	Notes	Yield Int	Yield Red	Price £	+ or -	1993 High	1993 Low
African Dev 11¼ 2010		8.29	7.41	134⅛	-1	136⅛	115⅞
Asian Dev 10¼pc 2009		8.12	7.35	126⅛	-⅛	127⅛	108⅝
B'ham 11½pc 2012		8.68	8.12	132½	—	132½	114
Iceland Cap 8½pc '10		7.73	-	110	—	120	95
9pc Cap 1996		8.82	-	102	—	116	97½
13pc '97-2		11.35	-	114½	—	130	110
Hydro Quebec 15pc 2011		9.33	8.33	160⅝	-1½	162⅛	139⅛
Leeds 13½pc 2006		9.42	[illegible]	143⅛	—	143⅛	126
Liverpool 3½pc Irred.		8.33	-	42	—	42	[illegible]
LCC 3pc '20 Aft.		7.95	-	37⅛	—	38	30½
Manchester 11½pc 2007		8.80	7.88	130⅛	—	130⅛	114
Met. Wtr. 3pc 'B'		4.07	6.80	73⅛	—	74	63⅛
N'wide Anglia 3⅞pc 2021		-	3.86	144	—	144	117½
4⅛pc IL 2024		-	3.86	138⅛	—	[illegible]	[illegible]
Utd Mex States 16½pc 2008		10.78	-	153	—	153	132⅛

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:05 pm on November 22

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 8½ 03	1000	100	100¼	-⅛	6.46
AlbertaProvince 9⅛ 96	600	108½	108⅝	-⅛	4.65
Austria 8½ 00	400	113⅝	114	-⅛	5.80
Bank of Tokyo 8⅛ 96	100	107⅝	108	+⅛	4.98
Belgium 9⅝ 98	200	116⅝	116⅞	-⅛	5.61
BFCE 7⅛ 97	150	108	108½		5.08
Brit Gas 0 21	1500	12½	12⅝	-⅛	7.72
Canada 9 96	1000	109	109⅛	-⅛	4.70
CCCE 9¼ 95	300	106	106⅜	-⅛	4.28
Cheung Kong Fin 5½ 98	500	97¼	97½	-⅛	6.17
Council Europe 8 98	100	109⅝	109¼		4.90
Credit Foncier 9½ 99	300	117⅛	117½	-⅛	5.63
Denmark 9¼ 95	1571	106⅝	106⅞	-⅛	4.19
ECSC 8¼ 96	193	109	109½	+⅛	4.67
EEC 8¼ 96	100	108⅝	108⅞	+⅛	4.80
EIB 7⅛ 98	250	107	107½		4.84
EIB 9¼ 97	1000	113⅝	114⅛	-⅛	5.29
Elec de France 9 98	200	113⅛	113⅝	-⅛	5.42
Eurofima 9¼ 98	100	109⅝	110¼	-⅛	4.72
Ex-Im Bank Japan 8 02	500	111¼	111⅝	-⅛	[illegible]
Export Dev Corp 9½ 98	150	115¼	116⅛	-⅛	5.54
Finland 7⅞ 97	200	107¼	108⅛	-⅛	[illegible]
Finnish Export 9⅛ 95	[illegible]	106⅝	108	-⅛	4.59
Ford Motor Credit 6¼ 98	1500	102	102⅛	-⅛	5.79
Gen Elec Capital 9⅛ 96	300	110⅛	110⅜	-⅛	4.86
GMAC 9⅛ 96	200	107⅛	108¼		6.44
Ind Bk Japan Fin 7⅞ 97	200	107⅝	108	+⅛	5.43
Inter Amer Dev 7⅛ 98	200	107	107½	-⅛	4.88
Italy 6⅞ 23	3500	94¼	94⅝	-⅛	7.30
Japan Dev Bk 8⅛ 01	500	113½	113⅝	-⅛	6.01
Kansai Elec Pwr 10 95	350	111⅛	111⅝	-⅛	4.85
LTCB Fin 8 97	200	106⅝	107⅛	+⅛	5.05
Matsushita Elec 7¼ 02	1000	105⅝	105½	-⅛	6.57
Nippon Cred Bk 10⅛ 95	150	108⅝	109⅛	+⅛	4.58
Nippon Tel Tel 9⅛ 95	200	108⅛	108⅝	-⅛	4.32
Norway 7⅛ 97	1000	106½	107⅛	-⅛	5.10
Ontario 7⅜ 03	3000	105½	105⅝	-⅛	6.67
Oster Kontrollbank 8½ 01	200	114¼	114⅝	-⅛	6.02
Petro-Canada 7¼ 96	200	105⅛	105⅜	-⅛	4.98
Portugal 5¾ 03	1000	95½	[illegible]	-½	6.47
Quebec Hydro 9¾ 98	150	115¾	116⅛	-⅛	5.91
Quebec Prov 9 98	200	112	112½	+⅛	5.80
Sainsbury 9⅛ 96	150	110⅛	110⅜	-⅛	5.17
SAS 10 99	200	114⅝	115⅛	+⅛	6.65
SBAB 9½ 95	500	107⅛	107⅜	-⅛	4.52
SNCF 9½ 98	150	116	116⅝		5.50
Spain 6½ 99	1500	103⅝	103⅞	-⅛	5.80
State Bk NSW 8½ 98	200	109	109½	-⅛	5.12
Sweden 5½ 95	2000	101⅞	102⅛		4.51
Swedish Export 8⅜ 98	700	107⅞	108⅛	-⅛	4.88
Tokyo Elec Power 8⅛ 96	300	109½	109⅞		4.95
Tokyo Metropolis 8⅛ 96	200	109	109⅜	-⅛	4.90
Toyota Motor 5⅝ 98	1500	100⅛	100⅜	-⅛	5.22
United Kingdom 7¼ 02	3000	106⅝	107⅛	-⅛	6.25
World Bank 8⅛ 99	1500	113¾	114	-⅛	5.57
World Bank 8⅜ 97	1500	111⅝	111⅞	-⅛	4.82
United Kingdom 7⅛ 97	5500	105½	105⅝	-⅛	5.25
Volkswagen Intl Fin 7 03	1000	102⅝	103⅛	-⅛	6.59
World Bank 0 15	2250	28½	28⅝	+⅛	5.86
World Bank 5¼ 96	300	102	102⅛		4.80
World Bank 8⅛ 00	[illegible]	116	116½	-⅛	5.36
DEUTSCHE MARK STRAIGHTS					
Austria 5⅞ 97	500	101⅞	102⅛		5.23
Belgium 7⅛ 02	600	108⅛	108⅜	-½	6.25
Credit Foncier 7¼ 03	2000	106⅝	106⅞	-⅛	6.28
Denmark 6⅛ 98	2000	102⅝	[illegible]		5.36
Deutsche Finance 7½ 95	1000	102¼	102½		5.44
ECSC 8⅛ 98	780	109⅛	109½	-⅛	5.92
EEC 6½ 00	[illegible]	104⅞	105	-⅛	5.95
EIB 7½ 99	400	111	111⅜	-⅛	5.33
Finland 7½ 00	3000	109⅛	109¼		5.89
Ireland 7⅛ 02	500	109½	110		6.32
Italy 7¼ 98	5000	105⅞	106⅛	+⅛	5.54
Spain 7⅛ 03	4000	105⅞	106⅛	-⅛	6.25
Sweden 8 97	2500	108⅜	108⅝	-⅛	5.44
Tokyo Elec Power 7⅝ 02	1000	108⅜	109⅛	-⅛	6.32
SWISS FRANC STRAIGHTS					
Asian Dev Bank 6 10	100	115	116½		4.70
Council Europe 4½ 98	[illegible]	102⅛	103	+⅛	4.88
EIB 6⅛ 04	300	114¼	114⅛		5.02
Elec de France 7⅛ 06	100	117	117½		5.31
Finland 7⅛ 99	[illegible]	114	114½		4.46
General Motors 7½ 95	100	103⅛	103⅜	-⅛	4.95
Hyundai Motor Fin 8½ 97	100	109½			5.93
Iceland 7⅛ 00	100	116	116⅛		4.77
Kobe 6⅜ 01	240	111¾	112½		4.83
New Zealand 4⅞ 99	200	101	[illegible]		4.65
Ontario 6¼ 03	400	110½	110⅞		4.81
Quebec Hydro 5 08	100	100	101		5.00
SNCF 7 04	450	119¼	119⅝	-⅛	4.70
World Bank 5 03	150	102⅛		+⅛	4.64
World Bank 7 01	600	115⅝	116		4.42
YEN STRAIGHTS					
Belgium 5 99	75000	107⅝	108	-⅛	3.50
Denmark 7 95	40000	105⅛	105½	-⅛	2.45
EIB 6⅝ 00	100000	116⅛	117	-⅛	3.59
Elec de France 5⅝ 98	20000	107⅝	108⅛		2.75
Finland 6⅛ 98	50000	109¼	109½		2.82
Inter Amer Dev 7⅛ 00	30000	120¼	120½	-⅛	3.59
Japan Dev Bk 5 99	100000	108⅛	109	-⅛	3.33
Japan Dev Bk 6½ 01	120000	117⅝	117⅞	-⅛	3.35
Nippon Tel Tel 5⅞ 96	60000	105⅝	105⅞		2.58
Norway 5⅛ 95	50000	105⅝	105⅞		2.38
SNCF 6⅛ 00	30000	117⅝	117⅞	-⅛	3.60
Sweden 5⅝ 95	20000	105½	106		2.53
World Bank 6¼ 00	50000	117⅛	117⅞	-⅛	3.62
OTHER STRAIGHTS					
Arbed 7½ 95 LFr	600	99½	100¼		7.79
Genfinance Lux 9⅛ 99 LFr	1000	107½	108½		7.57
World Bank 8 99 LFr	1000	101½	102½		7.27
Bank Voor Ned Gem 7⅛ 02 Fl	1000	108⅛	109⅛	+⅛	6.27
Energie Beheer 8⅛ 98 Fl	500	111⅞	111⅞	+⅛	6.03
AlbertaProvince 10⅞ 98 C$	500	109⅞	110⅛	-⅛	5.75
Bell Canada 10⅞ 99 C$	150	114⅞	115⅛	-⅛	7.30
British Columbia 10 96 C$	500	109⅛	109⅞	-⅛	5.87
EIB 10⅛ 98 C$	130	113⅞	114½	+⅛	6.35
Elec de France 9⅛ 99 C$	275	113⅛	113⅝	-⅛	6.21
Gen Elec Capital 10 96 C$	300	109⅛	109⅝	-⅛	6.00
KfW Int Fin 10 01 C$	400	115	115½	-⅛	7.29
Nippon Tel Tel 10⅛ 99 C$	200	115	115½	-⅛	7.05
Ontario 8 03 C$	1500	102⅝	103	-⅛	7.75
Ontario Hydro 10⅞ 99 C$	500	115½	116⅛	-⅛	7.05
Oster Kontrollbank 10¼ 99 C$	150	115¼	115¾	-⅛	6.80
Quebec Prov 10½ 98 C$	200	114¼	114⅝	-⅛	7.03
Belgium 9⅛ 96 Ecu	1250	106⅝	107		5.85
Council Europe 9 01 Ecu	1100	115⅝	116⅛	-⅛	6.40
Credit Lyonnais 9 96 Ecu	125	105⅛	106⅛	-⅛	6.54
EIB 10 97 Ecu	1125	111⅞	112⅛	-⅛	5.84
Ferro del Stat 10⅛ 98 Ecu	500	112⅞	113⅛	-⅛	6.46
Italy 10¾ 00 Ecu	1000	121⅛	121⅝	-⅛	6.56
Spain 9 96 Ecu	1000	107	107⅛	-⅛	5.86
United Kingdom 9⅛ 01 Ecu	2750	116½	116¾	-⅛	6.39
AIDC 10 99 A$	100	113⅝	113⅞	-½	7.01
BP America 12¼ 96 A$	100	112	112½	-⅛	6.41
Comm Bk Australia 13⅛ 99 A$	100	131	131½	-⅛	7.07
Exportfinans 12⅛ 95 A$	75	109⅞	109⅞	-⅛	6.06
McDonalds Canada 15 95 A$	100	113⅛	113⅞	-⅛	8.07
NSW Treasury Zero 0 20 A$	1000	14	14¼	-⅛	7.55
R & I Bank 7⅛ 03 A$	125	101⅞	102⅛	-⅛	7.49
Sth Aust Govt Fin 9 02 A$	150	109⅛	109⅞	-½	7.50
Unilever Australia 12 98 A$	150	119	119½	-½	6.81
Alliance Leics 11⅛ 97 £	100	114⅝	116⅛	-⅛	6.43
British Gas 12⅛ 95 £	300	109⅛	109½	-⅛	[illegible]
British Land 12⅛ 16 £	150	134⅛	135	-⅛	[illegible]
EIB 10 97 £	[illegible]	111	111⅛	-⅛	[illegible]
Halifax 10⅛ 97 £	[illegible]	111½	112⅛		[illegible]
Hanson 10⅛ 97 £	[illegible]	111⅞	112⅛		[illegible]
HSBC Holdings 11.69 02 £	[illegible]	122⅛	123⅛	-⅛	[illegible]
Italy 10½ 14 £	400	129½	129⅞	-⅛	[illegible]
Japan Dev Bk 7 00 £	200	102	102⅛	-⅛	[illegible]
Land Secs 9½ 07 £	200	110½	110⅞	-⅛	8.17
Ontario 11⅛ 01 £	100	120⅛	121	-⅛	[illegible]
Powergen 8⅞ 03 £	250	109⅛	110⅛	-⅛	[illegible]
Severn Trent 11½ 99 £	150	119⅝	120⅛	-⅛	7.11
Tokyo Elec Power 11 01 £	150	122	122⅝	-⅛	7.11
World Bank 11¼ 95 £	100	109⅛	109⅝	-⅛	[illegible]
Abbey National 0 96 NZ$	100	83⅛	84⅛	+⅛	[illegible]
TCNZ Fin 9⅞ 02 NZ$	75	113⅝	114⅛	-⅛	7.05
CEPME 10 95 FFr	2000	105⅛	106⅛	-⅛	[illegible]
Elec de France 8¾ 22 FFr	3000	121	121⅝	-⅛	7.02
SNCF 9⅛ 97 FFr	4000	110⅛	[illegible]	-⅛	[illegible]

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
Banco Roma 0 99	200	[illegible]	99.85	3.1875
Belgium ⅛ 97 DM	500	[illegible]	100.05	6.4375
BFCE -0.02 98	350	99.61	[illegible]	3.2500
Britannia 0.10 96 £	150	[illegible]	[illegible]	5.7875
CCCE 0 06 Ecu	200	98.82	99.02	7.5469
Citicorp Stg ⅛ 96	400	[illegible]	[illegible]	5.2500
Credit Lyonnais ⅛ 00	300	99.97	100.40	5.0000
Denmark -⅛ 96	1000	[illegible]	[illegible]	3.1875
Dresdner Finance ⅛ 98 DM	1000	99.93	100.02	6.4375
Elec de France ⅛ 99	400	[illegible]	[illegible]	3.2500
Ferro del Stat ⅛ 97	420	[illegible]	[illegible]	[illegible]
Finland 0 97	1000	[illegible]	[illegible]	[illegible]
Halifax BS ⅛ 95 £	350	99.94	100.01	[illegible]
Ireland 0 98	300	99.71	[illegible]	[illegible]
Italy ⅛ 99	2000	100.21	100.28	3.4375
Leeds Permanent ⅛ 96 £	200	99.93	[illegible]	[illegible]
Lloyds Bank Perp S 0.10	600	82.25	83.75	[illegible]
Malaysia ⅛ 05	650	[illegible]	100.17	5.2500
Nationwide 0.08 98 £	300	99.77	[illegible]	[illegible]
New Zealand ⅛ 98	250	[illegible]	100.15	[illegible]
Renfe 0 98	500	99.37	99.55	[illegible]
Societe Generale 0 98	300	[illegible]	99.76	3.2812
Staatsbank Berlin -0.05 98 DM	[illegible]	[illegible]	[illegible]	[illegible]
State Bk Victoria 0.05 99	125	99.80	[illegible]	3.5500
Sweden 0 98	1500	[illegible]	100.07	3.2500
United Kingdom -⅛ 96	4000	99.75	99.81	[illegible]

CONVERTIBLE BONDS	Issued	Cnv. Price	Bid	Offer	Prem.
Browning-Ferris 6¼ 05	400	52½	99	99⅞	
Chubb Capital 6 98	250	66	107⅛	108⅛	+17.81
Eastman Kodak 6⅜ 01	300	60.87	118	119	-1.86
Gold Kalgoorlie 7½ 00	65	1.0564	108⅛	109⅛	+61.67
Hanson 9½ 06 £	500	2.5825	124½	125⅛	+14.64
Hawley Pref 8 02	400	19.1	133½	135	
Land Secs 6¾ 02 £	84	6.72	105¼	106⅛	-2.44
Lasmo 7¾ 05 £	90	5.64	91¼	92¼	
Mitsui Bank 2⅝ 03	200	2332.6	97	99	+14.00
Mount Isa Fin 6½ 97	100	2.283	101	102	[illegible]
Nat Power 6¼ 08 £	250	4.33	112¼	113	[illegible]
Ogden 6 02	85	[illegible]	96	96⅛	[illegible]
Smith Nephew 4 02 £	90	1.775	132½	133⅝	[illegible]
Sumitomo Bank 3⅛ 04	300	[illegible]	94	95⅛	[illegible]
Sun Alliance 7¼ 08 £	155	3.9	112⅛	113¼	[illegible]
Texaco Capital 9 05 £	200	2.51	118⅝	119⅛	[illegible]
Texas Instruments 2⅞ 02	300	82⅝	100	101	[illegible]

* No information available - previous day's price
‡ Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate ([illegible] three-month [illegible] mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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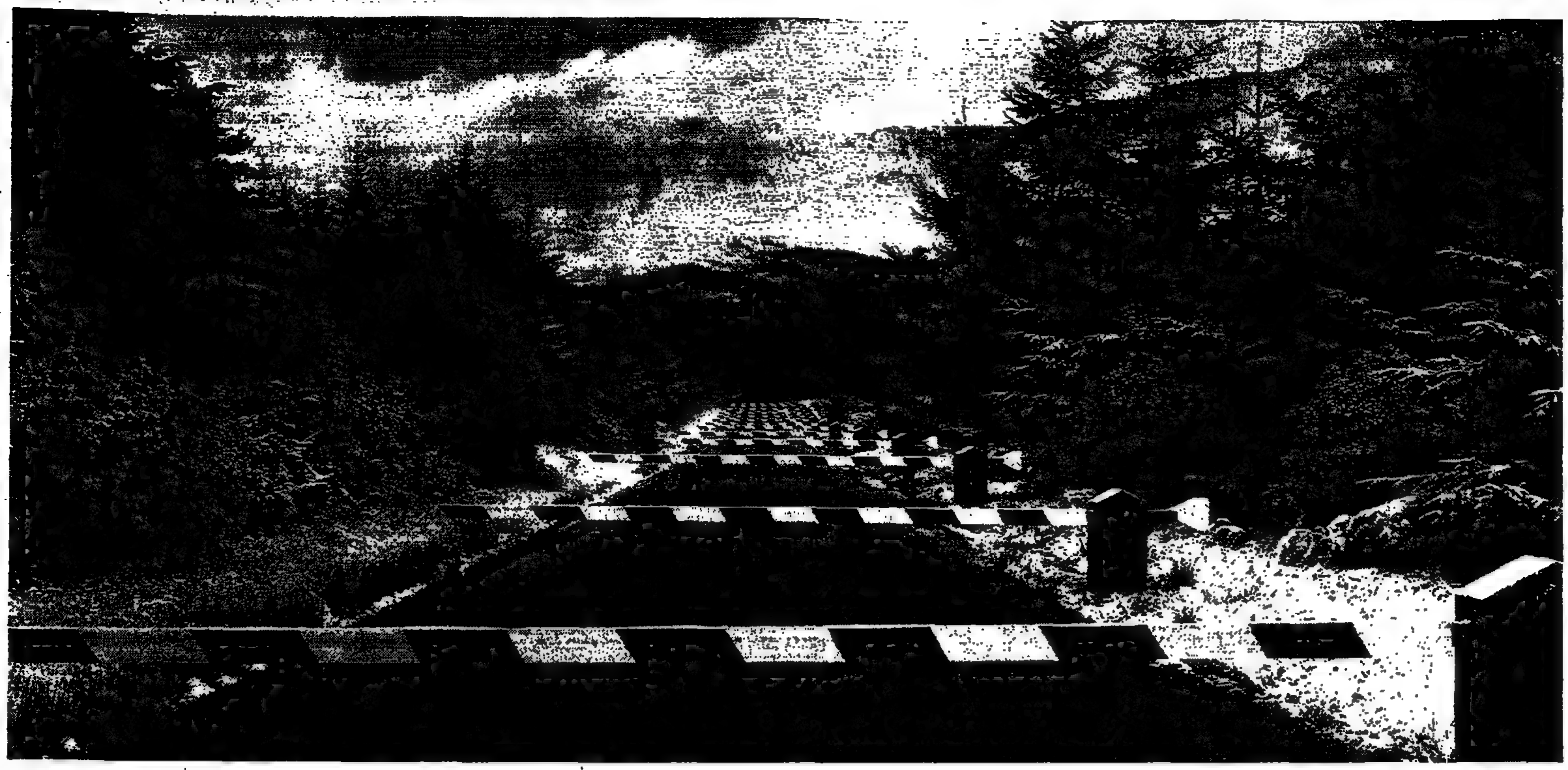

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Gradual improvement in advertising revenues apparent

Emap 12% ahead at £16.6m

By Raymond Snoddy

Emap, the publishing and exhibitions group, yesterday gave its most optimistic assessment of the state of the advertising market for three years as it announced a 12 per cent increase in interim pre-tax profits to £16.6m.

Mr Graham Ross Russell, the chairman, warned that the immediate outlook for profits growth would depend on the strength and timing of the general economic recovery.

He added, however: "We are beginning to see for the first time in three years a gradual improvement in advertising revenue in some areas."

Newspaper situations vacant advertising, for example, was up and this month actually jumped by 25 per cent to 30 per cent while advertising in business titles covering broadcasting and the media was forging ahead.

Other business titles, particularly those linked to the construction industry, were showing no such signs of growth.

The 12 per cent growth in pre-tax profits in the six months to October 2 and the qualified optimism about the future of the advertising market helped boost Emap's share price by 10p to 355p.

Ashley Ashwood

Robin Miller: VAT would put pressure on all group titles

Ms Katherine Pelly, media analyst at stockbrokers Kleinwort Benson, last night said she was looking for pre-tax profits of £46m for the full year giving earnings of 17.8p per share.

Emap's figures include the cost of investment in launches of £4.9m this time compared with £2.1m in the same period last year.

Earnings per share, adjusted for non-operating exceptional items, rose 13 per cent from 5.4p to 6.1p. The interim dividend is increased by 8 per cent to 2.25p.

Mr Robin Miller, chief executive, conceded yesterday that all of Emap's titles would feel the pressure if the government decided to put VAT at a rate of 17.5 per cent on all publications. However, because the "vast majority" of the group's titles were market leaders "in relation to our competitors I have no fears".

The most dramatic change came in business publishing where operating profit rose by £1m to £2.8m on turnover up 42 per cent. More than half the improvement came from the acquisitions of Thomson business titles which helped to improve margins from 4.5 per cent to 8.5 per cent.

Operating profits of consumer magazines rose by 5 per cent to £11.1m, newspaper profits were virtually constant at £4.6m while commercial radio was up 33 per cent to £400,000.

First half losses in Emap's exhibitions business increased from £800,000 to £1.6m but the company remains committed to the exhibitions business although closer links between exhibitions and business magazines are expected in future.

See Lex

Fisons acts on sales inducements to doctors

By Paul Abrahams

Fisons, the drugs and scientific equipment group, yesterday said it had dismissed one employee and disciplined another following the discovery of improper sales practices.

Mr Cedric Scroggs, chief executive, said an internal investigation had shown four examples of impropriety involving doctors who had been offered inducements to prescribe the company's products.

"The most serious allegation was the one of bribery," said Mr Scroggs. "Two doctors said they were offered money, while another said he was offered a book token for nursing staff books. This is clearly not acceptable."

The company had conducted an inquiry focused initially on the seven-strong West Midlands sales force, but it had been extended throughout the UK organisation, said Mr Scroggs.

"It's difficult to prove a negative, but we are as confident as we can be that we have not had widespread bribery."

Mr Rick Tiller, the West Midlands area sales manager who had been suspended, had been reinstated. He was not implicated in offering financial inducements to doctors, Mr Scroggs added.

Press reports earlier this month of excessive hospitality to doctors, were unfounded, said Mr Scroggs. Any hospitality had been within the guidelines set by the Association of the British Pharmaceutical Industry.

Suggestions there had been a "slush-fund" to entertain doctors were also erroneous. Promotional funds were available for local meetings, but these were not against the ABPI code.

Profit warning cuts Holliday share price

By Richard Gourlay

Holliday Chemical Holdings, maker of industrial dyes and speciality chemicals, which came to the stock market in March, yesterday issued a profits warning that triggered a 23 per cent drop in its share price.

The price closed 51p down at 174p which is below the 195p flotation price.

Strong price competition meant Holliday Chemical's Spanish subsidiary would make only a marginal contribution to profits after financing charges in 1993.

On a pro-forma basis, the group would only make a similar profit to that achieved in 1992, directors said.

Mr Michael Peagram, the founder, chairman and largest shareholder with a 20 per cent stake in the company after the float, was named in September as Venturer of the Year, an award sponsored by Cartier, The British Venture Capital Association and the Financial Times.

Analysts immediately cut forecasts of full year profits from £14.5m to £12.5m, and for 1994 from £18m to £15.5m.

Earnings per share estimates fell respectively to 11.2p and 13.6p, putting the shares on a 10 per cent prospective discount to the market.

Mr Peagram said the problem was clearly identifiable and contained within the Spanish subsidiary, which is responsible for 25 per cent of group sales.

Holliday would have been able to handle small reductions in prices through cost saving measures.

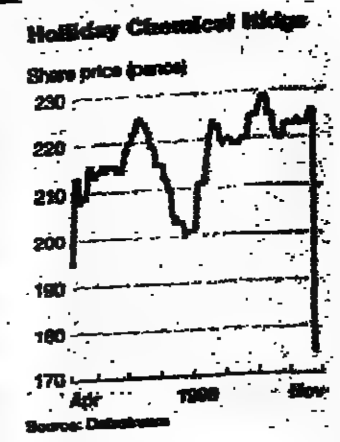
But average dollar selling prices in the third quarter for generic pharmaceutical and veterinary products had fallen by 10 per cent because of competition from India and China.

While Holliday had noted at the time of interim statement in August that the Spanish subsidiary's performance was disappointing, the extent of the problems had not been visible at the time, Mr Peagram said.

Some analysts said the market reaction was overdone. "It is still a well managed company," said Mr Lucas Herrmann of James Capel. "The reaction is harsh but not surprising; Holliday does not have a track record [as a quoted company] to fall back on."

Mr Peagram defended the company's award. "We got the Venturer of the Year award for our past record of which there is no doubt," he said. "There is now a tough business climate out there."

Holliday was still looking at growing with the help of some acquisitions Mr Peagram said. "We have got to re-establish the credibility bit first and make people happy to be along with us."



Hilclare cash call as deficit is trimmed

Hilclare, the USM-traded manufacturer of lighting and security products, yesterday called for £315,000 net via a rights issue and also reported reduced losses for the half year to end-September.

The cash call is through the issue of up to 1.07m new shares on a 2-for-7 basis at 36p apiece. The existing shares closed 5p lower at 43p.

The issue is underwritten by Wise Speke. Proceeds will be used to provide working capital and to reduce debt.

The deficit for the opening half was cut from £70,000 to £45,000 pre-tax. Turnover totalled £1.18m (£1.31m). Losses per share emerged at 0.9p (1.7p).

Directors said the loss reflected "normal seasonal" influences in the core lighting business and continuing difficult trading conditions.

However, the company was now benefiting from the "seasonal upturn" in demand for lighting products which was expected to continue through the winter months.

Directors expected a "satisfactory" full year performance and said they intended to declare a dividend of not less than 0.5p (same) on the enlarged capital.

Guardian falls to £11.5m

By Catherine Milton

Half year pre-tax profits at the Guardian Media Group, formerly The Guardian and Manchester Evening News, fell from £14.7m to £11.5m in the six months to October 2, with results depressed by the acquisition of The Observer.

The privately-held company improved sales to £121.6m (£94.3m). Guardian Media said the acquisition of the UK Sunday title had had a "temporary deleterious" effect on trading results.

The company, which was renamed to reflect its "wide media interests", said it had made good progress in merging The Observer's commercial and pre-press production operations with those of the Guardian.

This had improved costs and revenues and the full benefit would begin to emerge by the end of the financial year.

"Trading generally has been satisfactory given the prevailing economic background and there are now indications that some improvement may be seen in the second half of the year."

Electronics side behind 53% rise to £20.4m at Diploma

By Peter Pearse

Shares in Diploma dipped 3p to 563p as the electronics, building components and special steels group announced a 53 per cent increase in pre-tax profits from £13.3m to £20.4m in the year to September 30. This time last year the shares stood at 344p.

Mr Christopher Thomas, chairman, ascribed the group's general health to the concept of service. "People talk of service, but don't understand it. However, if you do, you get better margins. From better margins, you get good cash flow, which feeds the cash position." Cash at the end of the year had risen £2m to £28m, and adjusted profit as a percentage return on sales was 13.5 (12.6) per cent.

Group turnover grew to £158m (£132.3m).

As previously, the main engine of growth was the electronics division, where profits rose to £12.9m (£8.4m) on turnover up at £104.1m (£77.8m). Macro, the active components distributor, and – more modestly – Nortronic, in passive components, shone. Both increased market share and Macro, with the administration of Anzac now absorbed, lifted turnover by 35 per cent and profits by 50 per cent.

Anachem, bought 18 months ago for £7.7m, lifted turnover and profits. Mr Thomas said he was interested in building the pharmaceutical side into the group's fourth arm. Customers' capital expenditure had fallen on both sides of the Atlantic, but new products and exchange rates helped recovery over the 12 months.

The best performer in the building products side was again IG Lintels, though this also started slowly. Mr Thomas said Diploma did not want to "wait for better times. We can make things better by investment". The division's profits were £7m (£6m) on turnover of £42.8m (£43.4m).

Special steels lifted profits to £1m (£700,000) on turnover static at £11.1m, again adversely affected by the oil services sector. Cost reductions helped here.

Lower rates shrank interest receivable to £1.3m (£2.1m) and earnings per share advanced to 24.9p (19.4p). The final dividend is lifted to 8.5p (7p) for a total up 23 per cent at 12p (9.75p).

Proudfoot price fall explained

Shares in Alexander Proudfoot yesterday rose 4p to 63p after the board made a statement following the recent decline in the management consultancy's share price, which last week fell over 22 per cent to 59p.

Directors said they had noted the recent fall in the shares, but knew of no reason for the decline, save that volumes of dealings in the shares had traditionally been limited and some sales had recently taken place.

In September, the shares fell sharply after profits from continuing operations tumbled to £5.8m (£13.3m) in the first half of 1993.

Proudfoot said yesterday that this position had stabilised and trading had been steady during the second half.

Queens Moat EGM adjourned

An extraordinary general meeting of Queens Moat Houses, the hotel group, was adjourned yesterday, without a word from a shareholder, to be resumed after next Monday's annual meeting, writes Maggie Urry.

The thinly-attended meeting was told by Mr Stanley Metcalfe, chairman, that he would make a statement next week about the company's position. He said it would be unfair on shareholders who had not turned up yesterday to say anything before then. The adjournment motion was passed on a show of hands.

The recently-formed shareholder action group was not represented. It is planning to advocate voting against the acceptance of the annual report at next week's meeting.

It is understood, however, that the company has already received a significant number of proxy votes in favour of passing the accounts.

See Observer

Devt Securities postpones share issue

Development Securities, formerly Clayform Properties, said yesterday it had decided to postpone a proposed share issue.

The property investor and developer which has shoe retailing interests, said it had noted recent press comment about an alleged DTI investigation into dealings in Clayform shares.

It said it welcomed any such investigation, but was not aware that either the company or its directors were subject to one. Each director had confirmed to the company that neither he nor those connected with him had dealt on the basis of unpublished price sensitive information in the shares on or about June 11 1993.

However, it said that as a result of the general uncertainty concerning the above matter, the proposed share issue would be postponed "for the immediate future."

Shires asset value ahead

Shires Investment had a net asset value per share at September 30 of 298p, against 259.7p six months earlier. Fully diluted, the values were 282p and 250.3p respectively.

Attributable revenue for the six months improved to £2.24m (£2.14m) for earnings of 8.81p (8.5p) basic and 8.49p (8.36p) fully diluted. The second interim dividend is held at 4.2p to make an unchanged 8.3p so far. Directors said the total would not be less than 16.8p.

The trust, which has assets of £98.9m, is managed by Glasgow Investment Managers.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Allen	int	1.65†	Jan 28	1.65	-	5
Babcock Intl	int	nil	-	1	-	2.1
Boustead	int	0.35	Jan 12	0.35	-	0.7
British Inv Tst	int	2	Jan 14	1.9	-	4.5
Cropper (James)	int	1.1	Jan 14	0.975	-	3.1
Diploma	fin	8.5	Jan 11	7	12	9.75
Emap	int	2.25	Jan 7	2.075	-	7.9
Filofax §	int	0.75	Mar 31	0.5	-	1.25
F&C Eurotrust	fin	1.23	Dec 23	1.23	1.23	1.23
Fleming High Inc	int	1.1‡‡	Jan 5	1.45	-	5.8
[illegible]	int	0.5	Mar 31	0.5	-	1.25
Johnson Fry	int	1.5	Jan 14	-	-	-
Kenwood	int	3	Feb 26	1.5	-	5.85
Steel §	fin	3.5	Jan 13	2.8	5.3	4.4
Shires Invest	int	4.2‡	Jan 31	4.2	-	16.4
Sth Staffs Water	int	16.5	Jan 4	16	-	47
Worthington	int	0.6	Feb 8	0.5	-	1.6

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ‡Second interim; making 8.3p to date. ‡‡Second interim, making 2.2p to date.

Novel cash exercise at Butte

By Kenneth Gooding, Mining Correspondent

In a cash-raising exercise almost certainly unique to the UK, Butte Mining has sold to a group of investors the rights to some of the proceeds it hopes to collect from a lawsuit in the US.

Butte is seeking damages of more than $300m (£201m) and asks that these be tripled to about $1bn under US anti-racketeering legislation.

The UK group said it had raised £1.3m gross by issuing 1.9m zero-coupon, three-year loan notes with additional rights.

These rights effectively give the investors, who include clients of Derivative Securities, 38 per cent of the first $10m of any proceeds from the lawsuit, 12 per cent of proceeds between $10m and $20m and 5 per cent of proceeds exceeding $20m.

Butte has previously revealed that Deutsch & Frey, its US contingent-fee attorney, is entitled to one third of the gross proceeds from the litigation. The management team is entitled to a further 6.25 per cent but of that 4.5 per cent would be paid only on proceeds above £15m.

Money from the loan note issue will be used to fund the running costs of the group until the lawsuit comes to trial. Mr David Lloyd-Jacob, chairman, said it would give Butte the bare minimum a public company required to keep going for another 2¼ years. "The defendants won't be able to starve us out now."

Butte has sold most of its assets and has only two full-time and three part-time employees. Mr Lloyd-Jacob said he and Mr Graham Andrews, finance director, who are both working half-time for half pay, "have kept the company going so far on air and credit cards."

The loan notes have a nominal value of £1 each and have been issued at 67½p to give holders the equivalent of a 14 per cent gross compound return at the end of three years. They are also redeemable at any time at the company's option at a 14 per cent discount to the nominal value. Security is a first floating charge on Butte's assets.

NEWS DIGEST

Forte agrees disposal

Forte has reached agreement in principle to sell its 50 per cent stake in Kentucky Fried Chicken to Pepsico, which holds the remaining half-share, writes Michael Skapinker.

The company said the sale would be completed by the end of this year. It provided no financial details, but the price paid for Forte's stake is believed to be about £40m.

Forte bought the stake in 1987. The joint venture is responsible for 84 company-owned restaurants and 220 franchised outlets in the UK.

Tate & Lyle in Jamaican deal

Tate & Lyle and two Jamaican companies, Manufacturers Merchant Bank and J Wray and Nephew, have bid nearly $18.5m (£12.4m) for three of the island's four state-owned sugar estates.

Tate, which used to control Jamaica's sugar industry but sold out in the 1970's to the Jamaican government, has had management contracts with two of the estates for the past 10 years.

The estates are being sold as part of the Jamaican government's divestment programme.

Mosaic sells lossmakers

Mosaic Investments has entered into conditional agreements to dispose of the business and certain assets and liabilities of both DCN Associates and The Key Advertising & Marketing.

Both businesses are lossmakers and are being sold to companies in which the existing managements are interested.

DCN specialises in advertising and marketing and The Key was set up to service the northern-based clients of companies in Mosaic's marketing services division.

Earnings decline at Fleming High Inc

Fleming High Income Investment Trust reported net income down from £953,000 to £860,000 in the half year to October 31, with earnings per share lower at 2.67p (2.96p).

Last year's earnings have been restated to reflect a change of accounting policy, whereby 40 per cent of administration expenses have been charged to capital.

The second interim dividend is 1.1p making 2.2p (2.9p) to date.

Net asset value per share was 106.2p at October 31, against 94.1p at the year end and 85.4p at end-October 1992.

Vistec acquires ISO Communctns

Vistec Group, which supplies computer systems, software and services, is acquiring the issued share capital of ISO Communications.

Initial consideration is £500,000 cash on completion. There is a deferred profit-related consideration of up to £1.6m.

The acquisition is conditional upon agreement of ISO's net assets at October 31 and the capitalisation of shareholders' loans to cover any deficit, and the granting of a new lease to ISO.

F&C Eurotrust lifts asset value

Foreign & Colonial Eurotrust saw its net asset value per share improve from 161.5p to 210.4p over the 12 months to September 30.

The 30 per cent rise, however, lagged the FT-Actuaries Europe Index which rose 39 per cent over the same period.

Available revenue amounted to £751,000 (£865,000), reducing earnings per share from 1.47p to 1.26p. The single distribution is maintained at 1.23p.

INTERNATIONAL ECONOMIC INDICATORS: MONEY AND FINANCE

This table shows growth rates for the most widely followed measures of narrow and broad money, a representative short- and long-term interest rate series and an average equity market yield. All figures are percentages.

	UNITED STATES Narrow Money (M1)	Broad Money (M2)	Short Interest Rate	Long Interest Rate	Equity Market Yield	JAPAN Narrow Money (M1)	Broad Money (M2+CDs)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	9.0	8.9	8.00	10.59	n.a.	5.0	9.3	6.62	6.51	n.a.
1986	13.5	8.3	6.49	7.67	3.43	6.9	8.2	5.12	5.35	0.84
1987	11.6	6.5	6.62	8.39	3.12	10.5	11.5	4.15	4.64	0.55
1988	4.3	5.2	7.65	8.84	3.61	8.4	10.4	4.43	4.77	0.54
1989	1.0	3.9	8.99	8.49	3.43	4.1	10.6	5.31	5.22	0.48
1990	3.7	5.3	8.06	8.54	3.60	2.6	8.5	7.62	6.91	0.65
1991	5.9	3.3	5.87	7.85	3.21	5.2	2.0	7.21	6.37	0.75
1992	12.4	1.9	3.75	7.00	2.95	4.5	–0.4	4.28	5.25	1.00
4th qtr.1992	14.3	1.7	3.55	6.73	2.94	2.0	–0.4	3.67	4.78	1.03
1st qtr.1993	11.9	0.4	3.20	6.26	2.81	1.8	–0.4	3.29	4.34	1.00
2nd qtr.1993	11.6	0.9	3.18	5.98	2.80	3.2	1.4	3.09	4.55	0.83
3rd qtr.1993	12.2	1.5	3.18	5.61	2.76	3.6	2.0	2.83	4.25	0.80
November 1992	14.4	1.8	3.66	6.86	2.94	1.6	–0.6	3.65	4.76	1.05
December	14.2	1.4	3.67	6.76	2.87	1.9	–0.4	3.64	4.70	1.00
January 1993	13.4	1.0	3.26	6.59	2.87	2.4	–0.3	3.59	4.55	1.03
February	11.5	0.2	3.18	6.26	2.80	2.3	0.1	3.15	4.31	1.01
March	10.7	0.1	3.17	5.97	2.78	0.9	–0.4	3.13	4.19	0.97
April	10.8	0.2	3.15	5.96	2.81	2.4	0.5	3.08	4.42	0.85
May	12.0	1.0	3.14	6.02	2.81	3.9	1.5	3.09	4.64	0.82
June	12.7	1.4	3.25	5.94	2.80	3.4	1.4	3.10	4.58	0.82
July	12.6	1.5	3.20	5.79	2.80	3.8	1.6	3.11	4.40	0.81
August	12.2	1.4	3.18	5.68	2.76	3.5	1.7	2.93	4.27	0.79
September	11.8	1.5	3.16	5.35	2.73	3.6	2.0	2.46	4.09	0.79
October	10.9	1.3	3.26	5.32	2.71	3.4	1.9	2.30	3.85	0.80

	GERMANY Narrow Money (M1)	Broad Money (M3)	Short Interest Rate	Long Interest Rate	Equity Market Yield	FRANCE Narrow Money (M1)	Broad Money (M3)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	4.3	5.1	5.45	6.94	n.a.	8.2	7.4	10.03	11.74	n.a.
1986	10.0	8.3	4.64	5.90	1.79	6.9	4.4	7.79	8.74	2.65
1987	9.0	7.3	4.03	6.14	2.21	4.1	12.2	8.26	9.46	2.75
1988	9.7	6.4	4.34	6.46	2.61	3.9	8.4	7.94	9.08	3.69
1989	6.3	5.8	7.11	6.94	2.22	7.5	9.5	9.39	8.79	2.88
1990	4.5	4.5	8.49	8.71	2.11	3.7	9.0	10.32	8.92	3.19
1991	5.1	5.6	9.25	8.44	2.38	–4.7	2.7	9.62	9.03	3.58
1992	7.1	8.2	9.52	7.77	2.45	–0.1	5.5	10.36	8.57	3.55
4th qtr.1992	10.7	9.8	8.98	7.34	2.67	–0.1	5.5	10.77	8.26	3.72
1st qtr.1993	9.6	7.5	8.31	6.87	2.42	1.2	5.6	11.83	7.88	3.38
2nd qtr.1993	9.5	8.6	7.58	6.73	2.24	0.2	3.1	8.01	7.08	3.33
3rd qtr.1993	9.9	8.1	6.82	6.34	2.01	0.4	1.1	7.74	6.38	3.14
November 1992	11.2	9.7	8.94	7.36	2.65	0.4	6.1	9.77	8.14	3.70
December	12.5	8.7	9.03	7.29	2.64	–0.1	5.5	11.35	8.20	3.64
January 1993	9.5	7.7	8.50	7.10	2.58	1.8	5.7	12.16	7.93	3.59
February	9.2	7.3	8.39	6.94	2.43	1.0	5.7	12.12	7.76	3.40
March	10.0	7.6	7.98	6.59	2.27	1.2	5.8	11.27	7.33	3.19
April	9.1	8.7	7.92	6.63	2.23	–2.1	4.4	9.06	7.14	3.25
May	9.3	8.5	7.52	6.80	2.27	–2.7	3.4	7.84	7.16	3.39
June	10.1	8.5	7.80	6.77	2.22	0.2	3.1	7.32	6.95	3.35
July	10.1	8.7	7.24	6.57	2.09	–0.8	1.2	8.06	6.72	3.28
August	10.1	8.3	6.62	6.34	1.98	–1.4	0.7	7.93	6.33	3.08
September	9.5	7.3	6.63	6.12	1.98	0.4	1.1	7.28	6.12	3.08
October			6.64	5.93	1.86			6.99	5.95	3.02

	ITALY Narrow Money (M1)	Broad Money (M2)	Short Interest Rate	Long Interest Rate	Equity Market Yield	UNITED KINGDOM Narrow Money (M0)	Broad Money (M4)	Short Interest Rate	Long Interest Rate	Equity Market Yield
1985	13.2	13.5	14.34	13.71	n.a.	4.7	13.2	12.32	11.03	n.a.
1986	10.5	8.2	13.25	11.47	1.41	4.0	15.3	11.02	9.97	4.35
1987	10.4	9.8	11.32	10.58	1.94	4.7	14.6	9.77	9.52	3.60
1988	7.8	6.9	11.24	10.54	2.71	6.8	17.0	10.41	9.69	4.48
1989	7.1	8.2	12.41	11.61	2.48	5.9	17.5	13.96	10.30	4.36
1990	9.3	9.1	11.98	11.87	2.84	5.3	16.1	14.82	11.53	5.07
1991	7.3	8.0	11.83	13.20	3.45	2.4	8.2	11.58	10.04	4.97
1992	6.7	7.5	13.86	13.29	3.63	2.3	5.3	9.73	9.08	4.91
4th qtr.1992	2.8	5.8	14.64	13.84	3.68	2.7	4.5	7.88	8.45	4.84
1st qtr.1993	2.8	6.2	11.88	13.13	3.04	4.4	3.4	6.43	7.97	4.35
2nd qtr.1993	2.4	8.0	10.82	12.49	2.47	4.3	3.6	6.00	7.92	4.04
3rd qtr.1993	5.0	7.8	9.36	10.27	1.89	6.1	3.7	5.96	7.13	3.91
November 1992	2.5	5.8	14.53	13.48	3.46	2.9	4.4	7.32	8.27	4.80
December	0.4	4.4	13.90	13.66	3.61	2.9	3.8	7.24	8.38	4.49
January 1993	2.2	5.4	12.73	13.46	3.28	4.0	3.3	7.04	8.33	4.46
February	2.9	6.3	11.51	13.03	3.01	4.6	3.4	6.23	7.97	4.36
March	3.5	6.8	11.41	12.92	2.86	4.7	3.6	6.04	7.65	4.24
April	1.9	6.8	11.48	13.13	2.75	4.8	3.5	6.02	7.81	4.08
May	2.3	6.1	10.80	12.50	2.53	3.5	3.8	6.03	8.08	4.04
June	3.0	6.1	10.22	11.87	2.15	4.5	3.4	5.95	7.88	4.01
July	3.6	6.8	9.54	11.12	1.99	4.8	3.5	6.01	7.49	4.03
August	5.2	7.9	9.35	10.08	1.83	5.2	3.8	5.91	7.00	3.83
September	6.3	8.8	9.18	9.66	1.85	5.3	3.9	5.98	6.91	3.88
October			8.87	9.04	1.94	5.4	4.3	5.83	6.81	3.81

Monetary growth rates: show the percentage change over the corresponding period in the previous year, and are positive unless otherwise stated. All growth rates refer to the seasonally adjusted series except for Japan and Italy. German monetary statistics now form a continuous pan-German series. Monetary data supplied by Datastream and WEFA from central bank sources. Interest rates: short-term, period averages of US – 90-day commercial paper, Japan – 3-month certificates of deposit, Germany – 3-month Fibor, France – 3-month Pibor, Italy – 3-month Euro-lira, UK – 3-month Libor; long-term, period average yields on 10-year benchmark government bonds. Interest rates supplied by Datastream. Equity market yield: period averages of the gross dividend yield on the relevant FT-A world index.

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In the Ukraine, unable and
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Outcome hit by £21m provision for higher than expected costs at Drax and closures in Africa

Babcock £9m in the red and interim omitted

By Andrew Baxter

Babcock International, the energy contracting, facilities management and materials handling group, yesterday announced a £9.2m pre-tax loss for the six months ended September 30 and confirmed it would pass its interim dividend.

The loss compared with a pre-tax profit of £16.6m a year earlier, but was expected following Babcock's announcement on September 9 that it would make a £20m pre-tax provision which would produce a first-half deficit.

The provision emerged at £21m, and covered higher than expected costs on Babcock's £400m-plus flue gas desulphurisation contract at National Power's Drax power station in North Yorkshire, along with closure costs for Babcock Africa's non-core mining activities.

Losses per share for the half year were 1.77p, compared with 2.02p earnings last time, when an interim dividend of 1p was paid.

The shares fell 2½p to 26¼p yesterday.

The company maintained its cautious stance on the final dividend, repeating that a decision would be made in the light of the outcome for the year as a whole. Last year's final was 1.1p.

In spite of the latest results, Mr John Parker, Babcock's new chief executive, said he was "quite encouraged" by what he had found at the company after seven weeks in charge.

The former chairman and chief executive of Harland & Wolff joined Babcock on October 4, along with Mr Nick Salmon, a former GEC Alsthom executive, who is Babcock's new managing director.

"There are some very good businesses at the core of Babcock," said Mr Parker, "and some of them are world class."

He said the problems at Drax and in Africa had overshadowed a good performance elsewhere, but the Drax project was going extremely well, with the first two of the six sulphur absorber towers due to be handed over next month.

Babcock said discussions with National Power on the final contract revenue were expected to last until completion of the contract in spring 1996, but Mr Parker said: "I believe National Power is a satisfied customer."

Babcock's energy division, which includes the Drax contract, saw first-half profits drop from £7.5m to £1.2m.

In contrast, the process division, formerly known as the contractors group, boosted profits from £1.2m to £2.5m, and also yesterday announced $100m (£67m) of oil production and refinery development contracts from customers in Saudi Arabia and Malaysia.

The facilities management division, which includes the management contract for the Rosyth royal dockyard in Scotland, lifted profits from £3.2m to £4.2m.

Materials handling performed well in spite of difficult markets, said Babcock. Profits fell from £4.7m to £3.2m, reflecting rationalisation and closure costs. Babcock Africa profits were virtually unchanged at £2.4m.

Babcock noted that the tax charge for the half-year was £2.6m higher than normal. While the provisions were expected to attract a full deduction for tax, in the UK they displace ACT already paid and relieved against corporation tax liabilities.

● COMMENT

Babcock's new management team have their feet under the boardroom table but are not yet ready to make grand pronouncements – the results of their strategic review will be revealed at about the middle of next year. In the meantime caution abounds, a sensible strategy in light of the difficulties predicting the outcome of contracts such as Drax. The latest results put Babcock on course for full-year profits of between £3m-£6m pre-tax, slightly lower than some recent forecasts, and the tax implications of the provisions may even produce a small loss per share for the year. The final dividend, if it comes, may be small too.

Filofax at £1.27m as margins rise

By Catherine Milton

Filofax Group, the personal organiser company, yesterday reported pre-tax profits up from £950,000 to £1.27m in the six months to the end of September.

"Operating profit has increased by 38 per cent and that 38 per cent derives very simply from an increase in sales and an increase in margins," said Mr Robin Field, chief executive.

"It's about providing a useful product to real people," he added.

Earnings per share dropped to 4p (4.3p) as the company almost exhausted available tax losses and took a charge this time of £375,000 on a "conservative" rate of 30 per cent.

The board declared an increased interim dividend of 0.75p (0.5p). Mr Field said he had every confidence in a strong performance during Christmas and beyond.

The company aims to broaden its product range over the next three to five years. "Over time as the thing grows, we would expect it to become more broadly based and to cease to rely on just the one product," said Mr Field.

Sales rose 34 per cent to £8.31m (£6.18m), but the results did not portend the return of the yuppie. "We have never sold much to yuppies. Our ideal customers are busy housewives – female, social, domestic customers," Mr Field added.

Gross margins increased reflecting improved purchasing efficiency and the continued move towards selling directly to retailers.

Filofax spent about £3m in cash on three acquisitions in the last four months, including its Swedish and German distributors just before the September half-year end which together contributed £375,000 to sales.

The company received £35,000 (£56,000) in interest and expects to have a positive cash balance at the year end.

● Filofax also announced a change of brokers from UBS to Hoare Govett. UBS said it was very disappointed by the move.

Boustead makes £593,000 at nine months

By Paul Taylor

Boustead, the industrial products and technical services group acquired last year by Jack Chia-MPH, the Singapore-based trading company, yesterday reported sharply lower operating profits from continuing operations for the nine months to September 30.

However, after various costs and profits mainly associated with the sale and closure of businesses, and reduced interest costs of £193,000 (£680,000), profits at the pre-tax level improved from £117,000 to £593,000.

The group, which has undergone a substantial restructuring under its new management, announced at its interim stage in September that it planned to move its year-end to March 31 in order to conform with Jack Chia-MPH's accounting year.

Operating profits from continuing operations for the nine-month period fell from £1.43m to £73,000 on turnover from continuing businesses of £43.9m (£44.3m). Discontinued and closed operations added £3.13m (£16.1m) to turnover but reduced operating profits by £12,000 (£992,000.)

Boustead warned in September that its results for the third quarter would show a downturn because of seasonal factors. However, Mr Geoffrey Hall, chief executive, said that the sharp fall in European automotive sales had substantially exacerbated that trend this year through its effect on Boustead's component and plastic moulding businesses.

Earnings per share of 0.1p compared with previous losses of 0.4p. The interim dividend is maintained at 0.35p.

Earlier this month Boustead announced plans to sell its 65.4 per cent holding in Bousteadco, its Singapore-based subsidiary, to Jack Chia-MPH, for £12.8m subject to shareholder approval. Following the proposed sale, Boustead would have net cash balances of about £10m.

'Investor fatigue' affects latest Lloyd's trust offers

By Andrew Jack

Just one third of the shares allocated to private investors in the Angerstein Underwriting Trust, the Lloyd's investment trust, were taken up.

Separately, only 62 per cent of the shares on offer to intermediaries were taken up in Abtrust Lloyd's Insurance Trust.

The figures highlight the difficulties in attracting investor interest in such high numbers to take advantage of the introduction of corporate capital to Lloyd's, the insurance market.

NatWest Markets, which sponsored the Angerstein trust, said that 67.5m of the 75m shares on offer had been placed with institutional and other investors. Of the 22.5m shares available to the public, 7.7m were taken up. The offer was not underwritten, but 67.5m of the shares were placed with institutions, with a "clawback" for those which investors took up.

Mr Chris Huggins, a director, said: "It's always disappointing when you don't get all the money you wanted. Investors are showing general tiredness with the new issues market. Relative to other Lloyd's trusts, we think this is pretty good."

Abtrust received applications for 4.6m of the 7.5m shares offered to intermediaries. The full 30m share subscription was placed, with clawback for that available to intermediaries. It will raise £28.35m net.

Mr Christopher Holdsworth Hunt, a director of Peel Hunt, the sponsors, said: "We suffered a bit of investor fatigue. The orange has been squeezed dry. But in the circumstances we are happy."

Hanson Industries agrees sale of Axelson for £56m

By Maggie Urry

Hanson Industries, the US arm of the Anglo-American conglomerate, yesterday confirmed that it had agreed to sell Axelson, which makes equipment for the oil industry.

The buyer is Wheatley TXT, an oilfield services group, which will pay £56m, including £1.8m of long term debt.

The sale is the first in a disposal programme of peripheral businesses on which Hanson has embarked, expected to raise about £500m for the group, which is looking to reduce debt.

Axelson was acquired in 1984 when Hanson bought US Industries. In the year to end-September Axelson made an operating profit of £6m on sales of £40m. Axelson's net book value is £14m, and £6m of goodwill was written off when it was acquired, so there will be an exceptional gain on the sale of about £35m.

NEWS DIGEST

S Staffs Water rises 13.7%

South Staffordshire Water Holdings achieved a 13.7 per cent rise in pre-tax profits, from £5.1m to £5.8m, for the half year to September 30. Turnover advanced from £25.9m to £27.8m.

Mr Lindsay Bury, chairman, said the current year had seen significant progress in its core water supply business while non-regulated businesses also made steady progress.

Earnings per share advanced to 80.8p (78.7p) and the interim dividend is lifted from 15p to 16.5p.

Shani

Acquisitions boosted Shani Group, the fashion supplier, to pre-tax profits of £2.44m for the year to July 31, compared with £1.98m.

Turnover advanced from £12m to £20m, including £7.98m from acquisitions. During the year the USM-quoted company acquired the Lampert and Admyra women's coat and suit businesses. The year end is being changed to October 31 because of the seasonal nature of the purchases' businesses.

Operating profits from continuing businesses fell to £1.14m (£1.48m) but a £1.06m contribution from the acquisitions brought the total to £2.19m.

From earnings per share of 11.3p (9.2p) the total dividend is raised to 5.3p (4.4p) with a proposed final of 3.5p.

Hewetson

Difficult trading was blamed by Hewetson, the Hull-based building materials group, for a fall in pre-tax profits from £476,000 to £158,000 in the six months to end-September.

Both Hewetson Floors and Contract Flooring Sales recorded losses for the period. However, Mr Peter Price, chairman, said all companies made a profit in September.

Turnover was £15.1m (£24.3m). After tax and preference dividends losses per share were 0.16p, against earnings of 2.09p. The interim dividend is maintained at 0.5p.

James Cropper

A full order book and improved margins helped James Cropper, the Cumbria-based paper and board maker, report interim profits almost doubled at £1.14m pre-tax, against £595,000.

There was an added benefit from lower interest rates as finance charges for the half year ended September 25 fell from £1.01m to £631,000. Turnover was £21.4m (£20.3m).

Earnings per share were 9p (4.8p); the interim dividend is raised to 1.1p (0.975p) to reflect the company's confidence that the poor trading conditions of recent years have abated. Directors stressed, however, that it should not be taken as an indication of the level for the full year.

Towles

Towles, the Leicestershire-based hosiery and knitwear group, saw its pre-tax losses widen to £694,000 in the six months to August 31, against £587,000.

Turnover dipped to £8.19m (£6.49m). Losses per 10p shares emerged at 18.9p, against 15p last time.

Worthington

Profits of Worthington Group, the textiles accessories manufacturer, rose from £305,000 to £508,000 pre-tax for the half year ended September 30.

The 67 per cent improvement was achieved from turnover little changed at £7.49m (£7.3m).

The interim dividend is lifted to 0.6p (0.5p) from earnings of 2.01p (1.25p) per share.

British Inv Trust

British Investment Trust raised net asset value per share by 10.6 per cent to 219p at the end of September, against 198p six months earlier.

Attributable profits improved to £8.63m (£8.04m) for the six months and earnings per share under FRS 3 were 2.77p (2.58p) per share. The interim dividend is raised to 2p (1.9p).

COMPANY NEWS: UK

P&O links with Swire to invest £54m in Chinese container port

By Simon Holberton in Hong Kong

Peninsular and Oriental Steam Navigation, the UK transport and construction group, and Swire Pacific, the Hong Kong property and aviation conglomerate, yesterday joined forces to invest HK$615m (£54m) in a southern Chinese container port.

P&O and Swire Pacific said they would each acquire 25 per cent of the Shekou Container Port from China Merchants, a Hong Kong-based shipping and trading group, and China Ocean Shipping. From the beginning of next year, P&O will operate the port.

Shekou port is situated on the west coast of the Shenzhen special economic zone, just north of Hong Kong, on the Pearl River. It acts as a feeder port to Hong Kong's deep water container port.

The port is capable of processing 550,000 TEUs (twenty-foot equivalent units) annually; expansion currently under way will more than double capacity by the end of 1996. P&O said yesterday that it and China Merchants would acquire the increased capacity.

Lord Sterling, P&O chairman, said yesterday that the investment represented P&O's first sizeable step into the management and ownership of materials handling facilities on the Chinese mainland. It is the first in a series of planned acquisitions in accordance with strategic expansion in Asia, he said.

Mr Peter Sutch, chairman of Swire Pacific, said the Shekou facility would complement Hong Kong's container handling facilities. "There is no question that the Pearl River delta is the fastest growing manufacturing area in the world and that Shekou container terminals is ideally situated to service this demand," he said.

China Merchants, which began developing Shekou in 1978, will retain a 32.5 per cent interest in the port, China Ocean Shipping will have a 17.5 per cent interest, while P&O and Swire will each own 25 per cent.

In April last year, P&O sold China Merchants an 8.1 per cent stake in Modern Terminals, an operator of Hong Kong's container port, for £55m. Swire owns 13 per cent of MTL.

Court Cavendish expansion

Court Cavendish, the care home operator which obtained a full listing in July, has purchased two nursing and residential homes for £3.98m cash.

The larger, Church Farm, located in East Wittering, West Sussex, was acquired for £3.13m.

For the year to July 31 the home returned pre-tax profits of £300,000.

The group has also acquired the outstanding 64 per cent of Hammerwich Hall Nursing Home and Residential Home for £850,000.

Azlan intermediaries offer oversubscribed

By Alan Cane

Shares in Azlan Group, the networking products distributor, offered to intermediaries were subscribed 1.9 times.

Some 3.13m shares were offered to intermediaries in addition to 6.52m shares placed with institutional and other investors.

As part of the flotation some 6.6m shares were sold by existing shareholders and 3m issued by the company.

Applications for 5.8m shares were received from 76 intermediaries and allocations have been scaled down to 43.9 per cent of applications over 20,000 shares.

At the flotation price of 230p, some £6m net of expenses has been raised to expand the company's product range, increase its market share and support its ambitions to expand in continental Europe.

At the flotation price, the group's market valuation is a little more than £50m.

Dealings are scheduled to begin tomorrow

Bakyrchik Gold falls $67,000 into red

By David Blackwell

Bakyrchik Gold, which was floated in August to exploit a gold mine in Kazakhstan, reported a loss of $67,000 (£45,000) for the period since its incorporation in April to the end of September.

The balance sheet shows cash of $12.5m, which is expected to be committed to the Bakyrchik Joint Venture with the Kazakhstan government by the end of the financial year in March.

The Bakyrchik mine, in which BK Gold has 40 per cent and management control, has one of the world's biggest gold deposits with 28.1m tonnes of ore containing 9.1 grams of gold a tonne.

The first gold to be delivered under the venture is expected next summer.

Mr David Hooker, chairman, said yesterday that the company was upgrading the capacity of its plant for the first stage of the project from 100,000 tonnes per year of ore to 150,000 tonnes per year while remaining within the same budget.

However, the average grade from the first ore to be processed would be 7.2 grams of gold per tonne – lower than the ore body average.

A feasibility study for stage two of the project, under which 1m tonnes of ore a year would be processed, was well under way and was scheduled for completion in May.

Stage two would be underpinned by the first stage, but shareholders would be asked for about £70m some time next year.

Bakyrchik's share price yesterday closed 8p higher at 213p.

The placing in August of 7.5m shares was priced at 120p, valuing the company at about £18m.

Only five days later Chilewich, a New York-based trading organisation and joint owner, sold most of its 25 per cent stake.

Minproc, the Australian resources and engineering group which was BK Gold's other joint owner, owns 23.7 per cent.

Misys acquisition

Misys is paying up to £920,000 in cash for Supreme Computer Services. Supreme, which provides computer maintenance services, made pre-tax profits of £196,000 in the year to July 31 1993.

UK growth gives lift to Kenwood

By David Blackwell

Growth in UK sales helped Kenwood Appliances, the household appliance manufacturer, lift interim pre-tax profits by 6 per cent to £5.35m.

The figure for the six months ended September 1993 compared with a pro forma £5.03m. The Hampshire-based group was floated in June last year.

Mr Tim Parker, chief executive, said the group had produced "a solid set of results." UK turnover had improved by 12 per cent as consumer spending recovered after a flat two years.

Exports had also advanced strongly, with both the Kenwood Chef and food processors performing well.

Overall turnover rose by 21 per cent, from £45.3m to £55m. Operating profits rose from £5.27m to £6.08m.

The latest pre-tax figure included £400,000 of exceptional items, reflecting changes in the group's distribution systems in the US and Germany.

The group's products will be distributed in the US by the Rival Manufacturing Company from January 1, while a sales operation is being set up in Germany.

Mr Parker said this reflected the board's decision to concentrate the international sales effort on Europe and the Far East. He described the Far East as offering the most exciting opportunities.

Last year Kenwood paid HK$36.5m (£3.2m) for Tricom, a supplier of small kitchen appliances with a factory in China's Guangdon province. Last month it paid £4.33m for Precision Engineering (Reading), which includes Waymaster, a maker of water filters and kitchen scales.

Mr Parker said the group was on the look-out for further acquisitions along similar lines.

Interest payable of £332,000 compared with a pro forma £282,000.

Earnings per share rose from 9.2p to 9.6p. The interim dividend of 3p compares with 1.5p paid last time for the part of the period when the company was listed.

Hire services lifts Allen to £1.28m

By Peter Pearse

A sharp profits increase from its hire services side helped Allen, the Wigan-based housebuilding, hire services and contracting group, lift pre-tax profits by 50 per cent in the six months to September 30.

The rise, from £855,000 to £1.28m – a figure forecast at the time of the £5m placing in September – was struck on turnover up 23 per cent at £30.5m (£24.7m).

On prospects for the second half and beyond, Mr Donald Greenhalgh, chairman and managing director, said: "No forecasts, but we're smiling, aren't we?" He added that he felt the worst of the recession was past.

Hire services raised operating profits by 61 per cent to £472,000 (£293,000), of which acquisitions accounted for £75,000. The division's turnover advanced from £3.92m to £5.07m.

So far, Allen has spent £713,000 of the £2m earmarked from the placing for the hire services side; it bought Centahire's six depots in the north-east of England at the beginning of the month.

Contracting profits fell to £332,000 (£421,000) on turnover of £18.4m (£14.3m).

Mr Greenhalgh said that the 2 per cent margin achieved was "fairly remarkable in the industry", while Mr Ken Fox, deputy managing director, added that the margin was about one point better than he had expected.

Mr Greenhalgh thought that there would be no recovery in the sector until late next year.

He said he expected the contracting and hire services divisions to expand by acquisition and housebuilding organically.

Housebuilding made more at £882,000 (£758,000) on turnover up at £8.6m (£6.2m). Completions grew to 144 (105) units.

Some £2.5m from the placing has been put aside for the landbank, which is expected to grow to 35 or 36 sites by next November.

The property side made £83,000 (£41,000) on turnover of £895,000 (£338,000).

Earnings per share emerged at 3.87p (2.65p).

The interim dividend is unchanged at 1.65p on the enlarged capital, and the board is intending to pay a final of 3.35p for a maintained 5p total.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

Half hour period ending	Provisional Prices for trading on [illegible]: Pool purchase price £/MWh	Final Prices for trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	18.64	18.07	18.07
0100	24.91	20.91	32.17
0130	24.91	20.43	32.79
0200	24.91	20.43	32.79
0230	24.91	20.43	32.79
0300	24.91	25.46	27.84
0330	24.91	25.46	27.84
0400	24.91	25.46	27.84
0430	23.46	18.11	18.11
0500	22.45	18.11	18.11
0530	[illegible]	18.15	18.15
0600	19.30	18.40	18.40
0630	22.76	19.07	19.07
0700	25.07	24.76	27.15
0730	24.90	25.16	27.53
0800	31.02	25.22	27.59
0830	31.18	25.47	27.84
0900	31.29	25.66	28.10
0930	31.21	31.55	33.99
1000	31.12	34.77	37.23
1030	27.75	34.75	37.18
1100	27.84	34.67	37.08
1130	25.35	29.80	32.20
1200	25.36	29.21	31.61
1230	25.28	27.64	30.03
1300	26.20	25.72	28.10
1330	25.11	25.69	28.07
1400	25.10	25.66	28.05
1430	24.22	25.66	28.05
1500	24.25	25.66	28.05
1530	25.91	25.68	28.06
1600	48.15	25.72	28.11
1630	115.65	35.31	[illegible]
1700	189.10	48.25	54.54
1730	162.05	59.58	65.75
1800	116.80	61.34	67.70
1830	53.66	48.71	52.50
1900	33.42	38.31	42.60
1930	27.87	30.00	32.70
2000	28.21	25.77	28.20
2030	25.15	25.46	27.83
2100	25.12	25.22	27.59
[illegible]	[illegible]	[illegible]	[illegible]

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NB POWER

to proceed.
In the Ukraine, unable and ... Electricité de France, told the

COMMODITIES AND AGRICULTURE

Oil market looks for output cut from Opec meeting

By Robert Corzine

Oil ministers from the Organisation of Petroleum Exporting Countries meet in Vienna today, almost two months after setting a new production ceiling that has so far failed to prop up persistently weak prices.

The optimism that followed the September agreement to put a 24.52m-barrels-a-day ceiling on Opec production dissipated as prices drifted lower in recent weeks. The price of benchmark Brent Blend has tested new post-Gulf war lows as it has fluctuated in the $15- to $16-a-barrel range. The Opec basket, an average of six crudes, has slumped even lower, to about $14.50 a barrel, from $18.50 earlier in the year.

Analysts suggest that Opec will have to make at least a temporary cut in output to jolt bearish market psychology and break the widespread perception among traders that plentiful supplies will be available for some time to come. Some analysts suggest that a pro-rata cut of as much as 5 per cent of Opec's ceiling will be needed to halt, let alone reverse the price slide.

The authoritative Middle East Economic Survey yesterday said Opec ministers could either "hold fast to the six-month September accord, in the hopeful expectation that the market will pick up of its own accord as the winter progresses", or "bite the bullet which the market is demanding – namely to cut the current ceiling by at least 500,000 b/d or some two per cent."

Mr Mehdi Varzi, research director at Kleinwort Benson Securities in London, agrees that "if Opec wants higher prices they have to cut production. . . the market needs a clear signal".

Some analysts say, however, that any cut is unlikely to give a big boost to prices in the short term because too many factors – such as the weather and buoyant non-Opec production – are beyond the control of the organisation.

In September Opec tried to reverse growing price weakness by raising its ceiling to 24.52m b/d. The strategy to regain market credibility through a higher ceiling was based on the notion that it would accommodate members such as Iran and Kuwait who were consistently cheating on their quotas.

The higher ceiling also allowed Opec to set individual country quotas that took most producers close to capacity, thus reducing the prospects of serious cheating.

The ministers counted on a traditional increase in demand with the advent of the northern hemisphere winter to mop up excess stocks, which had been built up in part by earlier over-production by Opec states. The thinking at the time was that strict compliance was all that would be needed to ensure firmer prices as higher demand in consuming countries chipped away at surplus stocks.

That strategy has been undermined, however, by a combination of plentiful supples and continuing low demand in the main consuming countries.

Norway, western Europe's biggest oil producer, has rejected an Opec request to help lift crude prices, writes Karen Fossli in Oslo.

Norway produces an average 2.3m barrels a day but last month hit a record 2.44m b/d. It has repeatedly said it will not reduce output.

Last Wednesday, Mr Jens Stoltenberg, industry and energy minister, received a letter from Opec Secretary General Subroto who asked "if there is any possibility for Norway to contribute to the efforts being made by Opec members to strengthen the very, very weak oil prices?"

Norway last co-operated with Opec to help underpin oil prices from 1986, when they fell below $10 a barrel, till 1990. Companies were ordered to pump 7.5 per cent below capacity.

Russia calls for 8% world-wide aluminium curb

By Kenneth Gooding, Mining Correspondent, in Brussels

Russia is proposing that the world aluminium industry should cut annual production by about 1.5m tonnes, or 8 per cent, to help bring supply back into line with demand.

Producers in the Commonwealth of Independent States would be willing to share in this world-wide reduction but would resist any pressure for them to bear most of the burden. This was made clear yesterday by Mr Igor Prokopov, president of Concernalumini, the CIS aluminium association, during a presentation at a symposium to mark the 75th anniversary of the Belgian Non-ferrous Metals Federation.

European Commission officials suggest, however, that discussions with the CIS aluminium industry about limiting exports to the European Union are deadlocked. Agreement in principal has been reached about the need for CIS export restraint, including a method of double checking by the use of both export licences in the CIS and import licences in the EU. But "the Russian industry does not like the numbers being proposed", said one.

The commission, which in August imposed restrictions on CIS aluminium imports to the end of November, hoped to complete negotiations this month. Now it is considering whether to continue the restrictions. It feels an EU/CIS arrangement would not conflict with attempts to get agreement between most of the big aluminium producing countries, who are to meet in Washington on December second.

Mr Prokopov's suggestion of an 8 per cent production cut obviously will be repeated at the Washington meeting, which will be attended by a large delegation from the industry, the Russian government and some of the western trading houses that have been involved with the CIS smelters.

Yesterday he indicated that the CIS industry had accepted some of the European industry's proposals when he said that some of Russia's smelters would have to shut down so that their highly polluting, old fashioned technology could be replaced. He also suggested the CIS industry would be heavily involved in toll smelting in future, that would involve processing raw materials supplied by western organisations, which would continue to own those materials and the metal produced from them.

It is far from certain that the CIS industry's proposal for further production cuts will be well received. Mr Dick Dermer, president of the European Aluminium Association, said yesterday that a 1.5m-tonne cut would not be deep enough. It would take four or five years to reduce world aluminium stocks and the industry could not wait that long if every member was to survive intact.

Bitter-sweet outlook for UK beet growers

The early arrival of freezing weather is threatening to take the icing off sugar profits

FARMER'S VIEWPOINT

By David Richardson

Unlikely as it may seem to those not involved in its production and processing, the apparently cold and boring sugar beet crop generates a great deal of heat and emotion. Paradoxically, that is especially true when, as last weekend, growers wake up on a November morning to find their roots covered with snow and the weather forecasters speaking of severe frosts for the next few days.

About 40 per cent of the national crop is still in the ground and a further 20 per cent has been lifted and is stored in clamps on farms. If the weather stays below freezing for long those roots so far undelivered to processing factories will be vulnerable to frost and subsequent rotting. Should that happen the beets will become unsuitable for processing and even if they are lifted and delivered to one of British Sugars' nine factories they will be returned to the grower at his expense. All he can do with them then is feed them to livestock or spread them back on the land and plough them in. As a sugar beet grower myself, I hope very much that the cold snap will be short-lived.

Naturally enough, we growers want to deliver our roots to factories as quickly as possible. But British Sugar, the monopoly processor, now part of Associated British Foods, operates a system of permits to control deliveries and match its processing capacity. On present calculations this measured approach to what is admittedly a big crop will mean some roots are still sitting in clamps until the end of next February or beyond.

British Sugar says growers should protect their clamps from frost and ventilate them to stop the rotting of roots lifted after they have been frozen in the soil. Growers say effective protection is almost impossible to achieve and in the face of having to purchase costly covers and the probable need, after Christmas, to hand sort every root to avoid rejection at the factory, that British Sugar should increase its processing capacity. The crop, say growers, should be delivered over a much shorter period, as happens in most other continental countries.

British Sugar replies that one of the main reasons it is the most efficient processor of sugar beet in Europe is that it runs its factories for longer – more than five months a year, compared with only three months by many continental processors. Growers retort that British Sugar is profiting at their expense and that the company should not ever have closed nine factories during the last 20 years. British Sugar counter-claims that the nine that remain have been uprated to such an extent that they are capable of processing far more than the previous 18. And so the arguments continue.

Strength of feeling is intensified by the fact that both sides know that the other is making good profits out of the crop. According to a recent Midland Bank farm planning booklet the growth margins that an average sugar beet grower can expect to make in 1994 varies between £438 and £575 an acre. That compares with a winter wheat growth margin from £245 to £282 an acre and for potatoes, which are much more risky, of £566 an acre.

Meanwhile sugar beet growers are well aware that British Sugar raised its profit level from £139m in 1992 to £169m in 1993 and that the latter figure represented two-thirds of total ABF profits. It does not improve relationships between growers and the processor of their beets when financial journalists describe British Sugar as "ABF's cash cow".

But the current prosperity of sugar beet is unlikely to last. It was one of the few crops to escape the axe during the reform of the European Community's common agricultural policy. EC guaranteed prices continue at a refined sugar equivalent of some £550 a tonne. The world price is nearer £170 per tonne and most sugar producing nations in the EC are producing large surpluses (with the notable exception of the UK, which is allowed to produce only half its domestic consumption).

It was intended that the sugar beet guaranteed price system should be reformed and lower production quotas imposed by July 1 next year. Because of complications and pre-occupations with a Gatt agreement it has subsequently been decided to delay tackling the matter for a further year, until July 1 1995. But if the Blair House accord were to become the basis for a Gatt deal the price of sugar beet would be cut by 16 per cent over six years and overall EC quota entitlement reduced by 2.5 per cent per year. Needless to say the UK industry, as a deficit producer, would fight to avoid such a quota cut being applied across the board. Indeed there is every justification for the UK entitlement being increased.

Whether the fight would be successful is open to speculation, the sugar quota may well be bargained away in return for concessions perceived more necessary for other sectors.

Meanwhile I am bound to concede that British Sugar must be right to stay as efficient as possible. So long as it does not expect me and other growers of sugar beet with snow-covered clamps to bear all the risks.

Gold demand slackens off

By Richard Mooney

Gold demand slackened further in the third quarter of this year, but remained on course to challenge the record level achieved in 1992, according to the World Gold Council, the international gold industry's promotional body.

Total demand in the 75 per cent of the gold-producing world where the council operates amounted 559.7 tonnes in the July-September period, down 4 per cent from a year earlier. That followed year-on-year rises of 20 per cent in the first quarter – when buyers were attracted by exceptionally low prices – and 1 per cent in the second quarter.

The total for the first three quarters was up 6 per cent on last year at 1,816.5 tonnes.

Way cleared for rubber pact talks

By Frances Williams in Geneva

Rubber producing and consuming countries yesterday agreed to start negotiations on a new price-stabilising accord to succeed the 1987 International Natural Rubber Agreement.

The International Natural Rubber Council, which took the decision at its meeting in Kuala Lumpur, also agreed a one-year extension of the present pact, which was due to expire on December 28.

Importing nations consented to renegotiate the pact after producers earlier this month yielded to their condition of a 5 per cent cut in the reference price for current buffer stock operations.

However, producing countries have served notice that they will seek a higher price range in any new accord, negotiations on which are expected to begin in Geneva early next year.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1050.5-1	1072-3
Previous	1042-3	1063-3.5
High/low	1053.5	1077/1070
AM Official	1053-3.5	1074-4.5
Kerb close		1076.5-7
Open int.	253,026	
Total daily turnover	27,188	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	931-4	955-7
Previous	925-8	949-50
High/low		960/952
AM Official	937-41	960-2
Kerb close		955-60
Open int.	2,567	
Total daily turnover	241	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	400-1	414-4.5
Previous	400-1	413.5-4
High/low	399.5	417/413
AM Official	399.5-400	413.5-4
Kerb close		413-4
Open int.	25,676	
Total daily turnover	4,072	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	4690-700	4755-60
Previous	4665-75	4725-30
High/low		4800/4740
AM Official	4707-12	4770-1
Kerb close		4755-60
Open int.	46,778	
Total daily turnover	11,869	

■ TIN ($ per tonne)

	Cash	3 mths
Close	4610-5	4660-70
Previous	4625-30	4675-80
High/low		4730/4670
AM Official	4625-6	4675-80
Kerb close		4670-5
Open int.	14,257	
Total daily turnover	1,720	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	923-4	940-1
Previous	928.5-9.5	946-7
High/low		950/941
AM Official	925-6	944-4.5
Kerb close		941-1.5
Open int.	79,169	
Total daily turnover	15,005	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	1643.5-4.5	1667-8
Previous	1627-8	1649-50
High/low	1651/1650	1674/1660
AM Official	1650.5-1	1672-2.5
Kerb close		1667.5-8
Open int.	202,072	
Total daily turnover	39,681	

■ LME AM Official £/$ rate: 1.4760
LME Closing £/$ rate 1.4765

Spot: 1.4750 3 mths: 1.4677 6 mths: 1.4623 9 mths: 1.4578

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Nov	74.55	+0.40	74.60	74.50	407	66
Dec	74.40	+0.10	74.85	74.30	24,503	7,445
Jan	74.60	+0.10	74.85	74.85	1,442	137
Feb	74.85	+0.10	75.20	75.15	862	46
Mar	75.10	+0.10	75.550	75.00	21,216	8,054
Apr	75.30	+0.10			356	4
Total					65,136	16,236

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	378.75-379.25	
Opening	377.40-377.40	
Morning fix	378.15	256.983
Afternoon fix	378.40	256.716
Day's High	379.25-379.75	
Day's Low	376.40-376.90	
Previous close	378.40-378.80	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.70	6 months	2.70
2 months	2.70	12 months	2.70
3 months	2.70		

Silver Fix	p/troy oz.	US cts equiv.
Spot	320.50	473.25
3 months	324.65	476.90
6 months	328.40	480.50
1 year	336.45	489.35

Gold Coins	$ price	£ equiv.
Krugerrand	379.00-382.00	257.0-260.0
Maple Leaf	390.15-392.60	-
New Sovereign	87.00-90.00	59.00-62.00

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Nov	378.3	+0.3	0	0	70,207	37,592
Dec	378.5	+0.2	379.9	377.1	32,435	5,705
Jan	378.5	+0.2	380.0	380.0	9,797	497
Feb	380.5	+0.2	381.9	379.3	14,476	4,278
Apr	[illegible]	+0.2	383.6	381.0	5,420	217
Jun	384.3	+0.2	385.8	384.0	2,673	12
Total					157,574	48,001

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Nov	383.0		0	0	12,605	1,470
Jan	380.9	+0.9	[illegible]	379.5	3,587	158
Apr	382.6	+0.9	[illegible]	[illegible]	1,519	80
Jul	383.5	+1.0	0	0	12	1
Oct	385.0	+1.0	0	0		
Total					17,723	1709

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Dec	129.05	-0.25	130.00	129.00	1,469	229
Mar	128.75	-0.25	129.50	128.50	2,421	304
Jun	127.70	-0.25	129.00	128.25	510	16
Sep	126.70	-0.25			6	
Dec	125.70	-0.25			1	1
Total					4,469	550

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Nov	469.0	-1.0	0	0	44,145	18,467
Dec	468.5	-1.0	473.0	468.0	44	6
Jan	471.1	-1.0	472.0	472.0	31,534	7,227
Mar	474.4	-1.0	478.0	471.0	7,816	223
May	477.5	-1.0	481.0	475.0	8,859	232
Jul	480.5	-1.0	484.5	478.0	1,506	1
Total					102,484	41,400

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	17.12	+0.06	17.31	17.03	13,054	37,576
Feb	17.36	+0.07	17.55	17.31	107,697	52,679
Mar	17.56	+0.06	17.69	17.51	50,220	12,232
Apr	17.66	+0.02	17.81	17.68	27,714	3,950
May	17.83	+0.02	17.94	17.83	21,240	3,059
Jun	17.98	+0.03	18.10	17.98	16,432	728
Total					385,598	114,542

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	15.88	+8	16.07	15.82	72,717	17,987
Feb	16.14	+12	16.30	16.10	23,485	3,812
Mar	16.31	+10	16.46	16.30	95,195	1,237
Apr	16.49	+5	16.65	16.49	4,682	534
May	16.67	+7	16.77	16.67	2,281	95
Jun	16.79	+8	16.89	16.79	3,670	795
Total					123,031	22,029

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Dec	5165	+4	5240	5150	42,261	17,730
Jan	5245	+6	5325	[illegible]	87,843	14,985
Feb	5270	+1	[illegible]	5260	24,017	4,101
Mar	5195	-9	5260	5190	17,246	[illegible]
Apr	5120	-4	5165	5125	9,985	207
May	5050	-4	5095	5050	8,483	884
Total					180,136	38,146

■ GAS OIL IPE ($/tonne)

	Latest price	Day's change	High	Low	Open int	Vol
Dec	167.25	+125	168.75	166.25	42,591	6,833
Jan	165.50	+75	167.25	165.25	33,115	5,413
Feb	164.50	+100	166.00	164.00	14,942	1,408
Mar	162.50	+25	164.00	162.50	11,069	819
Apr	160.50	-25	162.50	160.50	4,008	330
May	160.50	-50	162.25	160.25	2,962	170
Total					114,826	16,158

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	2.400	+0.078	2.405	2.335	26,718	9,640
Feb	2.245	+0.057	2.255	2.205	13,016	2,677
Mar	2.150	+0.032	2.160	2.130	10,059	589
Apr	2.105	+0.022	2.130	2.095	9,532	375
May	2.100	+0.020	2.120	2.095	7,088	136
Jun	2.100	+0.012	2.130	2.095	6,918	717
Total					123,233	41,041

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Dec	0.4575	-.0031	0.4680	0.4555	34785	11866
Jan	0.4690	-.0016	0.4805	0.4680	42535	7166
Feb	0.4805	-.0006	0.4845	0.4790	18142	1822
Mar	0.4910	-.0011	0.4945	0.4905	12193	755
Apr	0.5245	+.0006	0.5255	0.5245	10065	1017
May	0.5335	+.0006	0.5360	0.5330	9245	945
Total					131,147	24,063

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Nov	98.70	+0.70	99.00	99.00	21	4
Jan	100.25	+0.85	100.20	100.00	1,353	24
Mar	101.95	+0.50	102.00	101.80	1,944	56
May	103.80	+0.65	104.00	103.80	1,362	39
Jun	105.00				66	0
Sep	90.90				64	0
					5082	123

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	356/4	-1/2	357/4	351/4	115,855	28,495
Mar	353/0	+0/4	353/4	347/6	137,780	27,405
May	336/2	-0/6	337/2	332/4	23,365	2,400
Jul	326/2	-0/2	327/2	323/6	30,105	8,000
Sep	329/0	0	0	0	1,315	5
Dec	337/0	-1/0	337/0	336/0	2,675	40
Total					317,395	70,810

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	278/2	-3/4	282/0	278/0	459,860	101,400
Mar	286/2	-3/2	288/6	285/0	652,450	75,995
May	288/0	-2/6	290/6	287/6	245,500	24,115
Jul	287/2	-2/6	290/0	287/0	209,980	23,460
Sep	272/6	-0/4	274/0	272/4	29,420	2,070
Dec	258/2	+0/2	259/4	258/0	112,425	9,340
Total					1,712,636	391,830

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Nov	102.65	-0.15	103.00	102.00	28	17
Jan	103.90		103.75	103.75	408	6
Mar	106.00	+0.25	106.00	106.00	401	50
May	107.50				100	
Sep	92.00				4	
Nov	95.00				10	
					1039	73

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	679/4	-6/2	687/6	677/4	370,075	101,225
Mar	684/2	-6/2	692/2	682/4	153,085	21,325
May	685/2	-6/4	693/0	684/2	110,715	6,985
Jul	686/4	-7/2	693/4	684/0	109,425	14,425
Aug	681/6	-7/6	688/4	680/4	18,270	1,895
Sep	666/4	-6/0	662/4	665/4	13,245	645
Total					835,618	297,995

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	28.37	-0.30	28.63	28.22	19,679	4,598
Jan	28.44	-0.19	28.83	28.20	21,982	6,981
Mar	28.44	-0.10	28.52	28.11	21,433	2,458
May	26.25	-0.04	26.30	25.95	9,591	1,951
Jul	25.97	-0.11	26.08	25.78	6,982	1,826
Aug	25.60	-0.05	25.62	25.45	2,477	148
Total					87,157	28,723

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	208.4	-2.9	211.5	208.1	23,909	7,740
Jan	205.4	-2.9	208.4	205.2	24,926	9,561
Mar	204.2	-2.9	207.3	204.0	17,264	4,698
May	203.4	-2.4	205.9	203.0	8,894	987
Jul	203.6	-2.3	206.0	203.5	7,967	1,109
Aug	202.3	-2.3	203.4	202.2	3,325	400
Total					90,276	25,015

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	102.5				20	
Apr	90.8	-2.3	93.0	89.5	1500	66
May	105.5	-2.7	105.0		398	4
Jun	125.0				2	
Nov	85.0					
Mar	108.0					
					1,818	70

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
Nov	1257	-9	1265	1255	318	11
Dec	1252	+12	1265	1255	178	35
Jan	1254	-14	1268	1264	1,209	32
Apr	1283	-14	1285	1284	558	10
Jul	1150	-5	1150	1150	222	5
Oct	1025				159	
					2,698	93

Tea

Landed teas met fairly good demand, reports the Tea Brokers' Association. Colour north Indians sold well at firm to dearer rates with plainer liquoring types about steady. The few brightest east Africans on offer moved higher, others were irregular but on balance 2 to 4p easier. Offshore: Ceylons met good competition at firm rates but Kenyas were again easier. Quotations: quality 200p/kg, good medium 126p/kg, medium 102p/kg, low medium 85p/kg. The highest price realised this week was 220p/kg for a Rwanda pf1.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	993	-4	1011	987	14,872	995
Mar	1038	-2	1058	1030	48,698	5,973
May	1033	+12	1042	1026	18,308	3,308
Jul	1032	+9	1037	1027	6,361	196
Sep	1030	+7	1034	1023	8,775	285
Dec	1009	+6	1011	1004	12,567	225
Total					108,578	11,295

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	1244	-12	1265	1239	2,297	473
Mar	1255	-7	1278	1255	44,401	12,038
May	1284	-10	1288	1272	13,125	1,148
Jul	1301	-2	1303	1290	9,731	1,981
Sep	1309	+9	1310	1300	6,181	724
Dec	1311	-9	0	0	6,709	816
Total					100,800	17,046

■ COCOA (ICCO) (SDR's/tonne)

Nov. 22	Price	Prev. day
Daily	1003.74	983.87
Nov. 19		
10 day average	947.11	936.45

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Nov	1279	+6	1284	1255	383	58
Jan	1278	+15	1284	1251	14,706	948
Mar	1243	+8	1248	1222	13,600	788
May	1217	+9	1222	1198	5,131	316
Jul	1216	+4	1214	1195	388	11
Sep	1213	+5	1218	1215	573	18
					34,881	2,136

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	74.30	-1.00	76.20	73.85	2,907	1,322
Mar	77.35	-0.80	79.20	76.60	34,889	11,642
May	78.90	-0.55	80.75	78.25	5,313	784
Jul	80.20	-1.05	81.80	79.75	1,608	483
Sep	81.80	-1.10	83.55	83.50	431	31
Dec	84.00	-1.00	0	0	298	11
Total					45,446	14,281

■ COFFEE (ICO) (US cents/pound)

Nov. 19	Price	Prev. day
Comp. daily	70.74	72.44
15 day average	69.68	69.62

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	10.50	-0.09	10.57	10.50	981	66
May	10.80	-0.05	10.80		692	25
Oct	10.65	-0.04	10.65		46	10
					4,321	101

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	277.20	-0.50	278.00	277.00	8,301	267
May	279.10	-0.20	279.10	278.40	1,493	28
Aug	283.10	-0.30	283.10	283.00	1,490	13
Oct	270.90		271.60	270.40	1,620	178
Dec	270.90	+0.50	270.90	270.40	25	82
Mar	273.60	+0.60	273.50	273.50	15	2
					12,934	590

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	10.25	-0.10	10.40	10.24	60,336	5,106
May	10.45	-0.07	10.55	10.44	18,701	650
Jul	10.55	-0.02	10.59	10.54	13,626	195
Oct	10.46	-0.04	10.52	10.45	11,394	316
Mar	10.45	0	0	0		
May	0	0	0	0		
Total					93,966	6,269

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	60.91	-0.17	61.15	60.75	4,975	4,184
Mar	62.53	-0.16	62.75	62.35	16,498	5,792
May	63.45	-0.05	63.50	63.25	5,345	801
Jul	64.28	+0.03	64.35	64.00	4,524	751
Oct	63.12	-0.43	63.25	63.10	492	187
Dec	63.25	-0.20	63.25	62.80	3,939	143
Total					35,789	11,848

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	107.65	+2.25	107.95	103.50	10,963	44
Mar	110.15	+2.65	110.20	106.60	4,979	592
May	112.50	+3.20	112.50	108.75	1,562	72
Jul	114.50	[illegible]	[illegible]	[illegible]	[illegible]	10
Sep	114.50	[illegible]	[illegible]	[illegible]	[illegible]	34
Nov	113.10	+2.65	0	0	111	2
Total					18,758	744

INDICES

■ REUTERS (Base: 18/9/31=100)

Nov 22	Nov 19	month ago	year ago
1629.2	1630.1	1597.8	1570.0

■ CRB Futures (Base: 4/9/56=100)

Nov 19	Nov 18	month ago	year ago
223.49	222.86	[illegible]	234.78

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	73.500	+.325	73.650	73.125	21,227	5,419
Feb	74.175	+.075	74.275	73.825	22,408	2,981
Apr	76.325	+.025	76.550	76.125	14,083	1,286
Jun	73.575	+.225	73.600	73.300	11,235	1,835
Aug	72.375	+.075	72.500	72.150	4,464	289
Oct	72.800	+.225	72.825	72.400	1,426	27
Total					76,986	11,725

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	48.300	+.650	48.975	48.350	7,324	2,749
Feb	47.925	+.500	47.950	47.250	8,865	2,086
Apr	47.975	+.450	47.975	47.450	3,136	381
Jun	53.200	+.325	53.200	52.800	2,448	238
Jul	52.400	+.200	52.400	52.050	832	38
Aug	51.050	0	51.200	51.000	591	57
Total					23,376	[illegible]

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	56.050	+.800	56.125	53.800	5,665	1,508
Mar	56.000	+.675	56.000	53.900	675	123
May	56.275	+.800	56.375	54.350	602	44
Jul	56.750	+.400	56.800	55.250	766	18
Aug	56.100	+.400	56.100	54.600	195	5
Total					8,366	1,698

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ ALUMINIUM (99.7%) LME	Jan	Apr	Jan	Apr
1025	53	79	8	16
1050	36	62	16	22
1075	22	47	27	32
■ COPPER (Grade A) LME	Jan	Apr	Jan	Apr
1625	51	86	18	31
1650	36	73	28	40
1675	25	59	41	52
■ COFFEE LCE	Jan	Mar	Jan	Mar
1200	92	106	14	68
1250	59	80	31	67
1300	34	61	56	116
■ COCOA LCE	Mar	May	Mar	May
975	93	102	40	44
1000	76	88	64	55
1050	52	65	67	82
■ BRENT CRUDE IPE	Jan	Feb	Jan	Feb
1600	48		32	67
1650	23	48		
1700	15	28		

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Jan) +or-

		+or-
Dubai	$14.08-4.18	-0.10
Brent Blend (dated)	$15.42-5.44	+.115
Brent Blend (Jan)	$15.87-5.89	-.005
W.T.I. (1pm est)	$17.10-7.12z	-.046

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$166-170	-3
Gas Oil	$172-173	+8
Heavy Fuel Oil	$59-61	
Naphtha	$151-153	+1.5
Jet fuel	$186-190	+1

Petroleum Argus Estimates

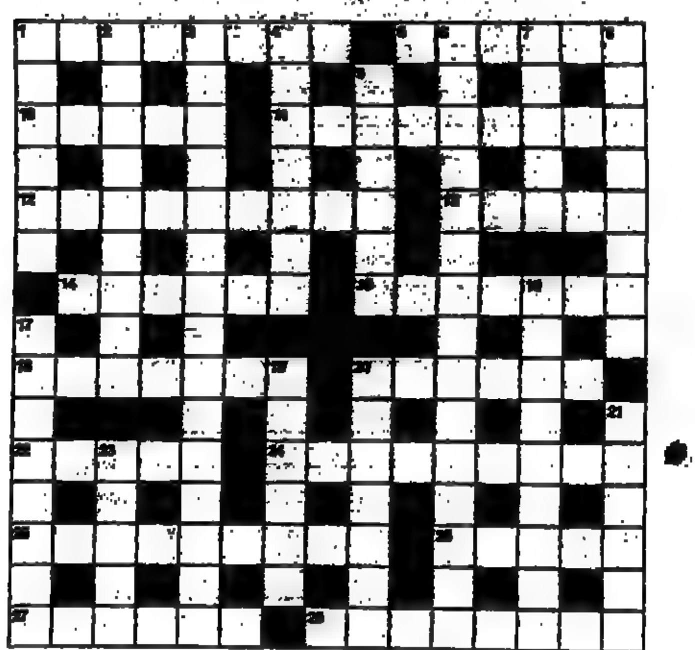
■ OTHER

Gold (per troy oz)♣	$379.00	+0.40
Silver (per troy oz)♣	471.5c	-0.5
Platinum (per troy oz.)	$377.75	+1.00
Palladium (per troy oz.)	$128.00	-1.00
Copper (US prod.)	79.5c	+0.5
Lead (US prod.)	32.75c	
Tin (Kuala Lumpur)	N/A	
Tin (New York)	216.00c	+2.50
Zinc (US Prime W.)	Unq	
Cattle (live weight)†	119.61p	-0.72*
Sheep (live weight)†♦	88.70p	+1.05*
Pigs (live weight)	70.97p	-1.36*
Lon. day sugar (raw)	$262.10	-2.20
Lon. day sugar (wte)	$287.00	-3.00
Tate & Lyle export	£289.50	-1.50
Barley (Eng. feed)	Unq	
Maize (US No3 Yellow)	£123.0	+2.5
Wheat (US Dark North)	£175.0	-10.0
Rubber (Dec)♥	60.50p	
Rubber (Jan)♥	60.75p	
Rubber (KL RSS No1 Jul)	206.0m	-1.0
Coconut Oil (Phil)§	$460.0x	
Palm Oil (Malay.)§	$382.50	
Copra (Phil)§	$317.5	-2.5
Soyabeans (US)	£205.0x	+1.0
Cotton 'A' Index	66.95c	+0.95
Wooltops (64s Super)	350p	-3

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y July/Sep. z Aug. v Sep/Oct. u July. t Dec/Jan x Nov/Dec. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♦ Sheep (Live weight prices). * Change on week, provisional prices.

CROSSWORD

No.8,313 Set by GRIFFIN



ACROSS

1 Medicated lozenge obtained with previous sick note (8)
5 Smells the same in sour stew (6)
10 Joins a place where golfers meet (5)
11 Fugitive maid's son I hide in entry (9)
12 Strait-laced girl's bloomers (9)
13 Inside the Hotel Elizabeth (5)
14 A means to spread tar (6)
15 In which universities measure success? (7)
18 Is key, with name and number inserted, very strong? (7)
20 Elegant Ada loses a tiny switch (6)
22 Back in wrecked car small reptile (5)
24 Died before His Grace put out fire (9)
25 Spring stock at the start of Easter (9)
26 Swim ahead of the scholar (5)
27 Head waiter lost important number (6)
28 Sweets must be rejected, it's emphasised (8)

DOWN

1 Sloppy removal of tumours (6)
2 Opinion of nurse I'm in marquee with (9)
3 Musician must list nine art forms (15)
4 Romance left one fit boy behind (7)
6 Make out expert is recognisable (15)
7 Half undo one forward coupling (5)
8 Summer frock found in second shed (8)
9 Tickled by mad broadcast about exercise (6)
16 Is to insert it before getting stomach trouble (9)
17 Misplace record before show (8)
19 Make beloved stop with Spike (6)
20 Fall for music centre in proper case (7)
21 Rely on piano man turning up to stop (6)
23 Get Black to telephone for transport (5)

Solution to Saturday's prize puzzle on Saturday December 4.
Solution to yesterday's prize puzzle on Monday December 6.

JOTTER PAD

to head ... to proceed. In the Ukraine, unable and ... Electricité de France, told the ...

Inside this 4 page pull-out supplement

PAGE 2
Bonds
Currencies

PAGE 3
Money
Including discount and repo rates
International shares
Yields and price earnings/ratios
Commodities
Arranged by subject not exchange

PAGE 4
UK key indicators
British markets at a glance
London equities
The FT's own gilt/equity yield ratio

FINANCIAL TIMES

THE FT's NEW STATISTICS

Wide-ranging changes are introduced today in the financial tables published in the second section of the Financial Times. **Peter Martin** explains the new look.

Every day, the tables of statistics at the back of the FT chart the temperature of the world's financial markets. Changing them is not something to be lightly undertaken. Not only are the routines of compilation built into the day to day rhythms of the statisticians who prepare them; the habits of hundreds of thousands of readers are also built around the entirely predictable appearance of a particular table, in a particular form, on a particular page of pink newsprint.

The mutual interests of consumers and producers thus tend towards a profound conservatism. The main FT-SE Actuaries table, published six days a week in the FT, today follows recognisably the same form as its ancestor did a generation ago, though the index itself and the equity market it measures have both undergone profound changes in the past three decades.

This slow accretion of statistical tradition has many advantages from the point of view of the FT and its readers. But it has one over-riding disadvantage: the risk that tables gradually drift, over time, away from relevance.

Individual tables are introduced to meet new needs, but their contents are rarely revised as those needs change. Thus each table risks becoming a snapshot of the set of securities, currencies and issues which were important at the time of the table's creation, even if those have long been superseded by later market developments.

We have therefore carefully assessed every table in the second section of the FT, to make sure that all of them reflect the most urgent needs of the papers' readers, and to eliminate any creeping inconsistences.

There are hundreds of detailed changes in the pages that follow. Overall, however, there are five main themes

Bonds

The paper has now gathered together its international fixed-income coverage on to a single page. The International Capital Markets page now carries not just the daily reports on government bonds and the Eurobond market, but also all the tables that support them. Thus, the benchmark government bonds table and the FT/ISMA Eurobond service are accompanied by the UK gilts prices, which are now laid out in a format more suited to bond prices.

The supporting data on the UK equity market, which formerly filled a portion of this page, has now moved. In the UK edition of the FT it can be found on the World Stock Markets pages, and in the international edition on the London Stock Market page.

The statistical coverage of bonds is amplified by moving the derivatives on long-term interest rates to lie alongside the cash market.

Derivatives

A standard approach has been adopted throughout the paper: in general, tables reporting on derivatives contracts are now printed alongside their underlying markets. Thus, futures and options on long-term interest rates move to the Capital Markets page, equity index derivatives can be found on the World Stock Markets and London Stock Market pages. Derivatives on currencies and short-term interest rates remain on the Currencies and Money page, but are clearly divided between the two sections of the page.

We have adopted standard new formats for both futures and options; the futures format provides much better reporting of volume and open interest figures, where they are available. Derivatives are grouped by product, rather than by the market on which they were listed. Thus, we no longer show a single block of contracts traded on Liffe; instead, they have been divided up between subject areas, so that for instance French Pibor futures from the MATIF exchange are shown alongside Liffe's short-term interest futures on other currencies.

Over time, we plan to adjust derivatives listings so as to reflect the main contracts of interest to FT readers, regardless of where they are traded.

International equities

The main World Stock Markets tables – both those covering individual equities and those reporting on stock market indices – have been expanded in content, without taking up any more space. There is now scope for all individual international equities listings to show highs and lows achieved by the stock and to carry dividend yields and price/earnings ratios. Initially, not all shares are accompanied by these two ratios, but we shall be filling in the holes on this page one by one over the next few months. There are more stock market indices, better displayed. In particular, we have expanded our coverage of indices from emerging stock markets, both individually and collectively.

Currencies and money

This page has undergone the most radical changes. The bond derivatives and equity futures and equity index options and futures move to new homes, and the space left behind has been devoted to much more comprehensive currency coverage.

The most immediate change to strike the reader, however, is the combination of what were until now two separate articles – on foreign exchange and money markets – into a single market report.

The money market report has abandoned its exclusive UK focus in recent years, providing a report on any money market developments of interest to FT readers, with a special emphasis on the Continent. This has led to an increasing degree of overlap between the money market report and the foreign exchange report, since the same developments often needed to be summarised in each place.

Combining the two will allow these two intimately entwined markets to be reported on side by side. As before, however, we remain committed to full reporting of UK money-market activities.

The main currency tables, the pound and dollar tables, have been greatly expanded to show comprehensive rates for a wider set of countries, arranged by geographical region. Mid-rates are now instantly visible, instead of requiring mental arithmetic. The cross-rates table has also been expanded.

Derivatives on currencies and short-term interest rates have been grouped alongside the cash markets they reflect. The FT's daily Libor rate has a new home on the page.

Typography and design

The tables now have a consistent "look", drawing on the FT's standard sans-serif typeface, Helvetica. Market reports now have their own livery, again using Helvetica, to distinguish them from news stories and news analyses.

This supplement highlights the most important tables in the Companies and Markets section of the FT, and explains how they work. Not all the tables in the paper are included; but the ones which have undergone most change are covered in the next three pages, as well as a few which are unchanged but are at the heart of our statistical coverage.

We are conscious that many readers may find the change to the new tables inconvenient: some tables have moved to new pages, others have taken on new shapes. We ask you to bear with us during the early days of inconvenience, until the new presentation becomes as familiar as the old. The old tables stood us in good stead for many years; we say goodbye to them now only because the time has come to usher in their replacements.

Acknowledgements

The work of reassessing and redesigning the tables has been a huge task, stretching over two years. The undertaking owes a great deal to preparatory work undertaken by Julian Chaffey, then on secondment to the newspaper from FT Analysis.

As always in statistical matters, however, the devil is in the detail. The detailed work has fallen on the table experts of FT Statistics, under the guidance of Adrian Dicks and Gary Hayes. The changes have been accompanied by a complete rebuilding of the computer system which holds the FT's statistical databases, carried out by a team headed by Ian Craig. The design of the new tables has been carried out by the FT's editorial design department, headed by David Case, with much of the detailed typography performed by Phil Hunt. The redesigned pages have been ushered into the paper by Bob Garton of the editorial production team. Mike Gardner, head of editorial information services, kept the project on track.

We are very grateful to those of our readers who have responded to our questions about how to improve the tables, or who have taken the trouble to write in with suggestions and comments. There are too many of them to thank individually, but we are very conscious of the effort and time that they devoted. Many thanks to all.

Where the tables have moved

Table	Destination
Long-term interest options/futures	International Capital Markets
UK Gilts prices	International Capital Markets
UK Equity options	with World Stock Markets reports (in UK edition); with London Stock Exchange reports (International Edition)
London recent issues - Equities; FT Equity indices, other UK Equity tables	with World Stock Markets reports (in UK edition); with London Stock Exchange reports (International Edition)
UK equity options/futures	with London Stock Exchange reports
International options/futures	on World Stock Market prices page
Crossword	on the Commodities page
UK base rates	with Money tables on the Currencies and Money page
New York rates- short-term Long-term	Currencies page International Capital Markets
FT Guide to World Currencies	moves from Tuesday to Monday

THE FT's NEW STATISTICS

All the fixed interest tables have now been gathered together on a single page, the currencies and money markets page has been revised, and throughout the paper derivatives contracts are now listed alongside their cash markets.

POUND SPOT/FORWARD

Appears: Mon-Sat On: Currencies & Money

POUND SPOT FORWARD AGAINST THE POUND

Oct 29		Closing mid-point [2]	Change on day	Bid/offer spread [3]	Day's Mid high [4]	Day's Mid low	One month Rate [5]	One month %PA [6]	Three months Rate [7]	Three months %PA	One year Rate [8]	One year %PA	Bank of Eng. Index [9]
Europe													
[1] Austria	(Sch)	17.475	+0.13	460 - 490	17.38	17.51	17.64	-0.9	17.0475	-1.0	17.5275	-	114.8
Belgium	(BFr)	53.95	+3.505	900 - 000	53.80	54.25	55.57	-3.0	55.41	-2.7	54.94	-1.8	109.8
Denmark	(DKr)	10.005	+0.5554	000 - 010	9.9455	10.0110	10.25	-2.5	10.256	-2.5	10.12	-1.1	113.3
Finland	(FM)	8.5515	+2.8898	506 - 586			8.9715	-		-		-	78.4
France	(FFr)	8.6825	+0.3749	677 - 606	8.6495	8.7090	8.7725	-1.0	8.7625	-0.9	8.7306	-0.6	106.5
Germany	(DM)	2.4875	+0.0225	485 - 490	2.4755	2.4900	2.51	-0.9	2.51	-0.9	2.4962	-0.4	125.2
Greece	(Dr)	382.02	+0.7305	795 - 245				-		-		-	-
Ireland	(I£)	1.051	+0.0369	051 - 051	1.0505	1.0595	1.0582	-0.7	1.0586	-0.7	1.0582	-0.6	100.9
Italy	(L)	2391.75	+135.25	250 - 250	2381.80	2399.25	2483.75	-3.6	2481.75	-2.9	2458.25	-2.8	78.3
Luxembourg	(LFr)	53.95	+0.595	900 - 000	53.80	54.25	55.57	-3.0	55.41	-2.7	54.94	-1.8	-
Netherlands	(Fl)	2.7926	+0.0257	757 - 767	2.7805	2.7975	2.8075	-0.6	2.8075	-0.5	2.7864	-0.2	120.0
Norway	(NKr)	10.825	+0.3775	820 - 830	10.7575	10.8775	10.9	-0.7	10.8675	-0.4		-	86.0
Portugal	(Es)	256.7	+0.15	200 - 200	255.35	258.45	289.78	-5.1	270.12	-5.2		-	-
Spain	(Pta)	198	+0.595	850 - 150	197.95	199.30	206.92	-4.0	206.44	-3.7	206.01	-3.5	88.1
Sweden	(SKr)	12.0175	+0.985	012 - 023	11.8900	12.0570	12.25	-1.9	12.2	-1.5	12.1531	-1.1	74.5
Switzerland	(SFr)	2.18	-0.025	165 - 195	2.1615	2.1955	2.16	1.4	2.165	1.1	2.2162	-1.2	112.9
UK	(£)	1	-		1	1		-		-			81.8
Ecu	-	1.2995	+0.0365	298 - 300	1.2950	1.3040	1.3199	-1.6	1.3197	-1.6	1.3165	-1.1	-
SDR	-	-	-3.4585					-		-		-	-
Americas													
Argentina	(Peso)	0.9998	-0.1244	999 - 000				-		-			-
Brazil	(Cr)	243.7425	+0.5075	740 - 745				-		-		-	-
Canada	(C$)	1.947	+0.001	946 - 947	1.9260	1.9545	1.9176	1.5	1.927	1.0	1.9572	-0.5	81.5
Mexico	(New Peso)	4.6368	+0.2865	836 - 637									-
USA	($)	1.486	-0.037	485 - 487	1.4765	1.4910	1.4415	3.0	1.4522	2.3	1.4609	1.7	66.6
Pacific/Middle East/Africa													
Australia	(A$)	2.2253	-	224 - 227				-					-
Hong Kong	(HK$)	11.5125	-	512 - 514									-
India	(Rs)	46.375	-0.625	350 - 400									-
Japan	(Y)	161.25	-	750 - 750	160.70	161.75	156	3.3	159.75	2.8	166.1675	-3.1	188.1
Malaysia	(M$)	3.7968	-	796 - 797									-
New Zealand	(NZ$)	2.6773	-	675 - 679									-
Philippines	(Peso)	43.05	-	850 - 250									-
Saudi Arabia	(SR)	5.5868	-	587 - 587									-
Singapore	(S$)	2.3388	-	338 - 339									-
S Africa (Com.)	(R)	5.0065	-	005 - 008									-
S Africa (Fin.)	(R)	6.2335	-	226 - 241									-
South Korea	(Won)	1205.225	-	150 - 300									-
Taiwan	(T$)	39.975	-	900 - 050									-
Thailand	(Bt)	111.61	-	110 - 110									

Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100

Contains the exchange rate of the pound against other leading international currencies, shown as the number of units of each currency equivalent to £1. The bulk of sterling foreign exchange trading volume occurs in the £/$ and £/DM currency pairs. Most other rates are "cross rates", obtained by the banks by calculation from the two principal rates. Thus, the £/BFr rate is typically obtained by a calculation employing both £/DM and DM/BFr.

For each currency, the table shows the day's price, its change on the day, the forward rates one, three and 12 months out and the interest rate implicit in the forward rates.

A similar table is published for the dollar spot and forward. In this case almost all currencies are shown as the number of units equivalent to $1, except for sterling and the Ecu, where the figure shown is the number of dollars per pound or Ecu.

Features

1. Country, arranged by geographical region. The standard FT abbreviation for each currency is also shown.
2. Closing price at late afternoon London time the previous day. This is expressed as a mid-price, half-way between the bid price proposed by a buyer of the currency and the offer price proposed by a potential seller. The bid and offer prices can be obtained from the column indicated in note 3.
3. This column shows the bid/offer spread on the closing price. To use it, replace the last three digits of the mid-price with the number on the bid or offer side of the spread. Thus, if the central rate for the D-Mark is 2.4875 and the bid offer spread is shown as 485-490, the bid price is 2.485 and the offer 2.4490.
4. The high and low mid-prices reached by the currency during the European trading day.
5. The forward rate for delivery in one month.
6. The interest rate implicit in the one-month forward rate, expressed as a rate for the period, not an annualised rate. Where a figure in this column is negative, current interest rates for the foreign currency are higher than the sterling rate (or, in the dollar table, than the dollar rate). Where a figure is positive, the reverse is true.
7. As for one-month rate
8. As for one-month and three-month rates.
9. This column, unconnected with the rest of the table, gives the daily Bank of England index for the value of each country's currency against a basket of its trading partners' currencies. In the Dollar table, this column is replaced with a set of equivalent figures from Morgan Guaranty.

Variants: None

Time data gathered: approximately 5pm

Sources: Competing bid/offer prices from leading banks, as shown on Reuter.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Nov 12		Closing mid-point [2]	Change on day	Bid/offer spread [3]	Day's mid high [4]	Day's mid low	One month Rate [5]	One month %PA [6]	Three months Rate [7]	Three months %PA	One year Rate [8]	One year %PA	Morgan G'ty chges % [9]
Europe													
[1] Austria	(Sch)	11.8875	+0.0545	855 - 960	11.9300	11.8600	11.9357	-3.3	11.9997	-2.9	12.154	-2.1	+16.75
Belgium	(BFr)	36.15	+0.05	100 - 200	36.40	36.20	36.29	-5.3	36.58	-5.3	37.35	-3.5	-3.06
Denmark	(DKr)	6.7375	+0.0025	735 - 740	6.7680	6.7475	6.7646	-5.3	6.813	-4.5	6.945	-3.1	+7.79
Finland	(FM)	5.7565	-0.033	745 - 768	5.8150	5.7600	5.8117	-4.2	5.8422	-3.5	5.919	-2.2	-
France	(FFr)	5.8875	-0.005	855 - 890	5.9180	5.8895	5.9119	-4.0	5.9422	-3.4	6.015	-2.1	-4.83
Germany	(D)	1.6915	-	691 - 692	1.6975	1.6890	1.696	-3.2	1.7036	-2.9	1.7209	-1.7	11
Greece	(Dr)	239.75	-2.25	500 - 000	243.00	241.25	245.5	-17.4	254	-19.8	290	-19.8	-
Ireland	(I£)	1.4075	+0.007	407 - 408	1.4050	1.3965	1.3968	3.3	1.3902	3.0	1.3682	2.5	-
Italy	(L)	1657	+0.5	750 - 250	1656.00	1646.25	1664.6	-5.8	1679.7	-5.6	1731.5	-4.6	-35.94
Luxembourg	(LFr)	36.15	+0.05	100 - 200	36.40	36.20	36.29	-5.3	36.58	-5.3	37.35	-3.5	-
Netherlands	(Fl)	1.8965	+0.0015	955 - 895	1.9040	1.8960	1.9017	-3.0	1.9095	-2.8	1.9282	-1.8	+22.31
Norway	(NKr)	7.365	+0.0175	363 - 367	7.3870	7.3640	7.382	-2.4	7.3865	-2.1	7.4655	-1.5	-17.75
Portugal	(Es)	173	-0.35	950 - 050	173.85	173.15	174.815	-8.8	176.875	-8.1	184.65	-6.5	-
Spain	(Pta)	136.65	+0.8	600 - 700	136.30	135.60	136.6	-6.6	137.97	-6.2	142.8	-5.1	-
Sweden	(SKr)	8.205	-0.045	203 - 206	8.2525	8.1725	8.2825	-4.7	8.3345	-4.1	8.49	-2.9	-37.73
Switzerland	(SFr)	1.497	+0.001	497 - 497	1.4990	1.4885	1.4978	-1.5	1.5004	-1.2	1.5000	-0.3	+23.17
UK	(£)	1.483	+0.0045	482 - 484	1.4765	1.4670	1.4753	2.6	1.4704	2.2	1.4516	1.7	-28.86
Ecu	-	1.133	+0.004	133 - 133	1.1315	1.1260	1.1253	[illegible]	1.1189	[illegible]	1.1015	2.4	-

UK GILTS PRICES

Appears: Mon-Sat On: Tues-Fri: International Capital Markets/Mon: elsewhere in second section/Sat: Commodities and Bond Prices

UK GILTS PRICES

[illegible]

Other Fixed Interest

[illegible]

Prices are shown in pounds sterling for all the UK gilt-edged securities currently in issue except those in which a market cannot be maintained because the nominal amount of stock outstanding is insufficient. They are divided by maturity and by type.

A few long-term sterling debt instruments from private issuers are also shown under Other Fixed Interest.

Features

1. Name of issue, 'coupon' interest rate (interest rate paid as per cent of the face value of the bond) and redemption year/split years (year when the capital will be repaid)
2. Interest yield: interest payment as per cent of closing price.
3. Redemption yield: total return received from holding to maturity, including capital gains or losses made at redemption
4. Closing price of the bond in yesterday's trading. Following London convention, prices are expressed in pounds and fractions of a pound up to 32nds.
5. Change in price since previous day
6. Highest and lowest price this year, based on intra-day trading. In early part of the year, this column shows highest and lowest price since beginning of previous year.
7. Index-linked gilts protect investors against inflation by adjusting both interest and redemption values in line with changes in the retail prices index (RPI). The table shows projected real redemption yield on two different assumptions about inflation (as detailed in footnote).
8. Figures in parentheses show RPI base for indexing, ie, RPI 8 months before issue, assuming Jan 1987 = 100. The two most recent relevant RPI values are also shown below.
9. Indicates that stock is currently ex-dividend. Purchasers are no longer eligible for the most recent dividend.
10. Symbol ‡‡ indicates that stock is free of tax to residents abroad (a "Fotra bond"). To receive interest gross, non-resident investors must apply to UK tax authorities in respect of each bond held.
11. Debt from issuers other than UK government.

Variants: Monday's paper shows percentage price change on week, total amount of stock in issue (£m), the last ex-dividend date for interest, and the interest due dates (redemption date is normally the last date shown). Where available, the Cityline telephone number for each security is also shown.

Time data gathered: London Stock Exchange collects these prices up to 4.30pm London time.

Sources: London Stock Exchange; and Warburgs for Index-Linked prices.

FT-ACTUARIES FIXED INTEREST INDICES

Appears: Tues-Sat On: Tues-Fri: International Capital Markets Sat: Commodities and Bond prices page

FT-ACTUARIES FIXED INTEREST INDICES

[illegible]

Index-linked	Nov 9	Day's change %	Nov 8	Accrued interest	xd adj. ytd		Nov 9	Nov 8	Yr. ago	Nov 9	Nov 8	Yr. ago
6 Up to 5 years (5)	190.06	+0.03	190.02	0.53	4.28	Up to 5 yrs	2.32	2.33	2.30	1.89	1.89	1.56
7 Over 5 years (2)	186.84	+0.17	186.53	0.93	4.29	Over 5 yrs	3.14	3.15	3.67	2.97	2.96	3.60
8 All stocks (11)	186.26	+0.16	185.96	0.86	4.27							

Debentures and Loans						5 year yield Nov 9	Nov 8	Yr. ago	15 year yield Nov 9	Nov 8	Yr. ago	25 year yield Nov 9	Nov 8	Yr. ago
[12] 9 Debs & Loans (65)	143.10	+0.48	142.42	2.22	9.75	7.71	7.80	9.70	8.16	8.22	9.77	8.31	8.35	9.90

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

Index of liquid UK fixed income securities, mostly government bonds ("gilts"), divided by maturity, coupon and type. Provides a more consistent measure of long-term interest rates than any individual security.

Features

1. Government debt grouped by maturity - short-term, medium-term and long term.
2. Number of issues included in each category
3. Index at yesterday's close
4. Price change, expressed as a percentage.
5. Previous day's close
6. Accrued interest: Total amount of accrued interest in the market value of stocks in that day, divided by the base value of the index.
7. Ex-dividend adjustment shows the amount of income that a holder of a portfolio of stocks proportionate to the index would have received, credited on the ex-dividend date for each stock.
8. Gross redemption yield on short-term, medium term and long-term government debt. Redemption yield is the total return received from holding to maturity, including capital gains or losses made at redemption. The figure is shown for each of three categories of debt: low coupon, medium coupn and high coupon.
9. Previous day's yield
10. Yield approximately 1 year ago.
11. Yield on short and medium-term index-linked gilts. Index-linked gilts protect investors against inflation by adjusting both interest and redemption values in line with changes in the retail prices index (RPI). The table shows projected real redemption yield on two different assumptions about inflation.
12. Debentures and fixed interest loans from private issuers.

Variants: Sat: includes year's high and low on each yield group

Time data gathered: 4.30pm

Sources: London Stock Exchange prices

BENCHMARK GOVERNMENT BONDS

Appears: Tuesday-Saturday On: Tues-Fri: International Capital Markets Sat: Commodities and Bond Prices

BENCHMARK GOVERNMENT BONDS

	Coupon [1]	Red Date [2]	Price [3]	Day's change [4]	Yield [5]	Week ago [6]	Month ago [7]
Australia	10.[illegible]	1[illegible]/02	121.[illegible]00	+0.[illegible]0	[illegible]	[illegible]	[illegible]
Belgium	9[illegible]	0[illegible]3	111[illegible]00	-0.[illegible]0	[illegible]	[illegible]	[illegible]
Canada ©	7.500	12/03	103.5000	+0.050	7.01	7.16	6.87
Denmark	8.000	05/03	108.3000	+0.050	6.79	6.89	6.72
France BTAN [9]	8.500	05/98	108.8500	+0.040	5.85	6.16	6.19
OAT	8.750	10/03	104.3700	-0.060	6.32	6.32	6.32
Germany	6.500	07/03	102.3300	-0.570	6.17	6.16	6.29
Italy	11.000	06/03	108.0000	-	10.11†	10.11	10.12
Japan No 119 [9]	4.800	06/99	106.5210	+0.160	3.44	3.60	3.89
No 157-4	4.600	03/03	104.2490	+0.150	3.98	4.13	4.35
Netherlands	6.500	04/03	103.7400	-0.180	5.97	6.02	6.14
Spain	10.500	10/03	107.1000	-0.500	9.26	9.31	9.16
UK Gilts	9.750	01/98	112-04	+6/32	6.44	6.58	6.40
	8.000	06/03	106-28	+16/32	7.01	7.01	6.95
	9.000	10/08	115-03	+21/32	7.33	7.34	7.36
US Treasury ©	5.750	08/03	102-25	+21/32	5.75	5.75	5.75
	6.250	08/23	103-04	+46/32	6.02	6.00	6.00
ECU (French Govt)	8.000	04/03	106.6100	-0.290	6.74	6.86	6.74

[8] London closing, ©New York mid-day. Yields: Local market standard. † Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents). Prices: US, UK in 32nds, others in decimal. Source: MMS International

Prices and yields from the largest, most liquid markets for government bonds. 10-year benchmarks are shown for all countries; additional bonds are shown for some key markets. Additional markets will be added over coming months, as space permits.

Features

1. Coupon: interest rate paid as per cent of the face value of the bond
2. Redemption date: date the capital will be repaid
3. Price: closing price of the bond in yesterday's trading. Prices are expressed in the measures commonly used in local markets. Thus, US and UK prices are shown in 32nds, others in decimals.
4. Change: change in price since previous day
5. Yield: return calculated according to local market conventions. Note that differences in these conventions significantly affect the calculation of yield.
6. Week ago: closing yield on the same day of the previous week
7. Month ago: closing yield on the same day 4 weeks ago.
8. Footnote indicating treatment of Italy's withholding tax for non-residents
9. Name of individual issue. France: Bons du Trésor a taux annuel normalisé (BTANs); Obligations Assimilables du Trésor (OATs). In Japan, individual issues are numbered for easy identification.

Variants: None

Time data gathered: 5pm London time for all markets, except that in later editions of the FT the US and Canadian prices are taken around 4:30pm Eastern standard time. These later North American prices are indicated by an asterisk.

Source: MMS International.

EXCHANGE CROSS RATES

Appears: Mon-Sat On: Currencies & Money

EXCHANGE CROSS RATES

[6] Nov 10	[2]	BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
[1] Belgium [5]	(BFr)	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark [4]	(DKr)	[illegible]	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France [4]	(FFr)	[illegible]	[illegible]	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Germany	(DM)	[illegible]	[illegible]	[illegible]	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	(I£)	60.36	9.575	8.182	2.314	1	[illegible]	2.601	10.16	239.1	187.5	71.41	2.029	0.936	1.907	1.446	151.7	1.226
[5] Italy	(L)	2.251	0.428	0.365	0.103	0.046	100.	0.116	0.464	10.89	8.381	0.510	[illegible]	0.042	0.085	0.065	6.781	0.055
Netherlands	(Fl)	19.36	3.681	3.138	0.890	0.384	860.2	1	3.905	91.92	72.09	4.386	0.780	0.389	0.733	0.557	58.33	0.471
[4] Norway	(NKr)	49.57	9.425	8.034	2.278	0.984	[illegible]	2.561	10	235.4	184.6	11.23	1.997	0.920	1.877	1.427	149.4	1.207
Portugal	(Es)	21.06	4.004	3.413	0.968	0.418	935.8	1.088	4.248	100.	78.42	4.771	0.848	0.391	0.798	0.606	63.46	0.513
[5] Spain	(Pta)	26.85	5.106	4.352	1.234	0.533	1193	1.387	5.417	127.5	100.	6.083	1.082	0.498	1.017	0.773	80.91	0.654
Sweden [4]	(SKr)	44.14	8.393	7.154	2.029	0.877	1961	2.280	8.905	209.6	164.4	10	1.778	0.819	1.672	1.270	133.0	1.075
Switzerland	(SFr)	24.82	4.719	4.023	1.141	0.493	1103	1.282	5.007	117.9	92.43	5.623	1	0.461	0.940	0.714	74.79	0.604
UK	(£)	53.88	10.24	8.732	2.476	1.070	2394	2.783	10.87	255.8	200.6	12.20	2.171	1	2.040	1.550	162.3	1.312
Canada	(C$)	26.41	5.021	4.280	1.214	0.524	1173	1.364	5.327	125.4	98.33	5.982	1.064	0.490	1	0.760	79.55	0.643
US	($)	34.75	6.607	5.632	1.597	0.690	1544	1.795	7.010	165.0	129.4	7.872	1.400	0.645	1.316	1	104.7	0.846
[3] Japan	(Y)	331.9	63.10	53.79	15.25	6.590	14747	17.14	66.95	1576	1236	75.19	13.37	6.160	12.57	9.551	1000.	8.080
Ecu		41.08	7.810	6.657	1.888	0.816	1825	2.122	8.286	195.0	153.0	9.305	1.655	0.762	1.556	1.182	123.8	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

This table shows foreign exchange cross rates for the main developed economies and the Ecu. Currencies are listed in the order used in the pound and dollar spot tables, putting Europe first, then North America, then Asia/Pacific. These figures are derived by calculation, rather than being those offered by individual banks

Features

1. Country name, with abbreviation of currency shown in brackets.
2. Currency abbreviation - for key see column at left of table.
3. Yen, shown in thousands.
4. Shown in tens
5. Shown in hundreds.
6. Date on which rates were taken, at London market close.

Variants: None

Time data gathered: 5pm

Source: Derived by calculation from data in pound spot table.

STANDARD FORMAT FOR FUTURES & OPTIONS CONTRACTS

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	96.48	96.46	-0.01	96.49	96.46	33,751	325,696
Mar	96.45	96.40	-0.02	96.45	96.40	144,186	381,646
Jun	96.14	96.11	-0.02	96.16	96.10	146,357	271,272
Sep	95.86	95.83	-0.03	95.89	95.83	110,390	203,097

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Dec	CALLS Mar	CALLS Jun	PUTS Dec	PUTS Mar	PUTS Jun
9375	0.14	0.62	1.28	0.01	0.02	0.02
9400	0.04	0.59	1.06	0.20	0.04	0.04
9425	0.00	0.38	0.82	0.43	0.08	0.05

Est. vol. total, Calls 2860 Puts 2365. Previous day's open int., Calls 234795 Puts 114178

All financial futures contract prices are now shown in the same format, throughout the FT. The headings include the name of the contract and the place it is listed, together with any supporting information.

The futures format includes opening prices, settlement price, change on the day, intra-day high and low, estimated volume and the previous day's open interest.

The options format includes where available prices of puts and calls for the next three periods for each contract. Volume and open interest, where available, are shown in a footnote.

to proceed.
In the Ukraine, unable and Electricité de France, told the

THE FT's NEW STATISTICS

The listing of short-term interest rates has been brought up to date, there is much more data available on international stocks, and the commodities tables have been grouped by commodity rather than by place of trading.

WORLD STOCK MARKETS - SHARE PRICES

Appears: Mon-Sat **On:** World Stock Markets pages

NORTH AMERICA

UNITED STATES (Nov 15 / US$)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

This table contains share prices of major international companies. In the UK edition of the FT, it is confined to one page; in the international edition, there are more comprehensive listings of US stocks, and the table extends to three pages.

Shares are listed alphabetically within countries. In the first edition of the FT, North American prices are taken at 3pm eastern time. In later editions, including the one which reaches readers on the Continent, North American closing prices are shown. The time at which North American prices were taken is indicated at the head of the page each day.

There is no fee for inclusion on this page. The selection of stocks is made by the staff of FT Statistics, bearing in mind the need to reflect a broad spectrum of large, liquid shares.

Features

1. Name of country. Date of share price report and currency in which it is denominated are also noted.
2. Name of security. In general, only the primary line of a company's equity is shown.
3. Yesterday's price. This is usually the price at which the last trade took place.
4. Highest and lowest intra-day price achieved in current year.
5. Dividend yield, where available. Yields are calculated by local information vendors in most cases, but the general rule is:

Yield =
most recent 12 months dividends per share
divided by
share price,
expressed as a percentage

6. Price/earnings ratio, as calculated by local information vendors in most cases. The general rule is:
Price/earnings ratio =
share price
divided by
most recent 12 months earnings per share.

In Europe, p/e ratios are currently not available, but will be added in the coming weeks. Note that though every effort is made to give p/e ratios on a broadly comparable basis, differences between national accounting conventions produces widely differing earnings figures for companies of similarprofitability.

Company's annual report is available from FT Free Annual Report Service. (Call 081-643-7181 for details; this service only applies to UK and Japanese stocks at the moment.)

Variants: None

Time data gathered: Up till 10pm. Every effort is made to get closing New York stock exchange prices into the main Continental edition.

Source:
Telekurs, FT database.

WORLD STOCK MARKET INDICES

Appears: Mon-Sat **On:** World Stock Markets pages

INDICES

	Nov 15	Nov 12	Nov 11	1993 High		1993 Low	
Argentina							
General (29/12/77)	(u)	17720.1	17434.2	18357.80	22/10	12167.86	8/3
Australia							
All Ordinaries(1/1/80)	2082.9	2074.0	2052.4	[illegible]	1/11	1495.00	13/1
All Mining(1/1/80)	873.4	870.4	864.8	[illegible]	2/8	594.70	13/1
Austria							
Credit Aktien(30/12/84)	415.42	413.31	413.77	424.89	2/11	308.26	14/1
Traded Index(2/1/91)	1064.34	1052.81	1054.73	1084.43	2/11	712.08	15/1
Belgium							
BEL20 (1/1/91)	1376.33	1369.47	1367.33	1391.99	4/11	[illegible]	4/1
Brazil							
Bovespa (29/12/83)	(u)	23589.0	22829.0	97300.00	26/8	714.72	4/1
Canada							
Metals & Minls(1975)	(u)	3184.07	3153.99	3184.07	12/11	2743.31	21/1
Composite‡ (1975)	(u)	[illegible]	4291.28	4302.80	12/11	3275.80	21/1
Portfolio§§ (4/1/83)	(u)	[illegible]	2027.41	2027.41	11/11	[illegible]	21/1
Chile							
IPSA Gen (31/12/80)	(u)	3235.3	3216.6	3254.20	21/10	2812.59	10/5
Denmark							
CopenhagenSE(3/1/83)	361.54	361.83	362.21	365.14	4/11	281.90	4/1
Finland							
HEX General(28/12/90)	1516.6	1531.0	1532.8	1607.70	3/11	849.10	22/1
France							
CAC General(31/12/81)	[illegible]	[illegible]	(c)	609.73	26/10	[illegible]	13/1
CAC 40(31/12/87)	2117.90	2098.85	(c)	2231.86	22/10	1772.27	29/1
Germany							
FAZ Aktien(31/12/58)	786.86	777.50	779.53	803.70	3/11	596.82	14/1
Commerzbank(1/12/53)	2249.1	2222.0	2228.0	2300.40	3/11	1694.30	14/1
DAX (30/12/87)	2048.11	2015.01	2023.33	2095.58	2/11	1516.50	13/1
Greece							
Athens SE(31/12/80)	(u)	815.59	816.48	844.44	13/8	667.72	5/1
Hong Kong							
Hang Seng(31/7/64)	9733.34	9701.25	9674.83	9733.34	15/11	5437.80	4/1
India							
BSE Sens.(1979)	(u)	2793.2	2786.4	2783.30	10/11	2300.87	28/4
Indonesia							
Jakarta Comp.(10/8/82)	(u)	512.87	511.35	512.87	12/11	273.31	5/1
Ireland							
ISEQ Overall(4/1/88)	[illegible]	[illegible]	[illegible]	[illegible]	3/11	1191.19	11/1
Italy							
Banca Comm Ital (1972)	545.42	546.32	598.97	632.66	30/8	446.33	8/1
MIB General (4/1/93)	1202.0	1204.0	1188.0	1380.00	30/8	[illegible]	11/1
Japan							
Nikkei 225 (16/5/49)	18074.81	18483.35	18158.52	21148.11	13/9	16287.45	25/1
Nikkei 300 (1/10/82)	(u)	289.58	283.42	306.49	25/10	283.42	11/11
Topix (4/1/68)	1539.65	1586.07	1534.58	1698.67	3/9	1250.06	25/1
2nd Section (4/1/68)	2008.26	2022.50	1974.57	2364.97	7/6	1681.72	26/1
Malaysia							
KLSE Comp.(4/4/86)	981.37	972.47	987.8	988.09	3/11	614.26	13/1
Mexico							
IPC (Nov 1978)	(u)	2108.44	2056.35	2108.44	12/11	1504.15	25/2
Netherland							
CBS TtlRtnGen(End 83)	408.5	404.6	404.1	419.30	4/11	285.70	4/1
CBS All Shr (End 83)	264.8	262.4	262.1	272.00	4/11	198.80	13/1
New Zealand							
Cap. 40 (1/7/86)	(u)	2009.89	1994.51	2203.59	2/11	1405.37	21/1
Norway							
Oslo SE(Ind)(2/1/83)	1001.16	1001.19	991.68	1034.83	29/10	669.63	27/1
Philippines							
Manila Comp (2/1/85)	2384.89	2368.7	2371.87	2467.50	3/11	1270.66	4/1
Portugal							
BTA (1977)	(u)	2603.1	2603.3	2699.00	3/9	1608.20	14/1
Singapore							
SES All-S'pore(2/4/75)	545.44	548.49	552.25	554.35	1/11	364.10	13/1
South Africa							
JSE Gold (28/9/78)	1942.0♥	1983.0	1976.0	2098.00	30/7	775.00	5/1
JSE Indl. (28/9/78)	4636.0♥	4621.0	4607.0	4719.00	6/7	[illegible]	19/4
South Korea							
KoreaCompEx(4/1/80)**	810.72	791.47	783.35	810.72	15/11	605.93	6/3
Spain							
Madrid SE (30/12/85)	[illegible]	300.04	300.57	310.28	22/10	216.80	4/1
Sweden							
AffarsvarldnGen (1/2/37)	1402.6	1402.30	1396.30	1436.10	4/11	878.10	26/1
Switzerland							
Swiss Bank Ind(31/12/58)	1161.10	1162.51	1180.62	1185.33	10/11	804.80	11/1
SBC General (1/4/87)	931.32	929.72	929.16	937.80	3/11	678.79	11/1
Taiwan							
WeightedPr.(30/6/66)**	4329.05	(c)	4271.14	5013.59	7/4	3098.43	9/1
Thailand							
Bangkok SET (30/4/75)	1366.52	1380.84	1371.28	1380.84	12/11	818.84	1/8
Turkey							
Istanbul Comp.(Jan 1986)	(u)	16177.8	15197.2	16943.15	4/10	3085.63	1/1
WORLD							
MS Capital Int (1/1/70)	586.3	587.3	593.2	607.10	15/10	488.60	13/1
CROSS-BORDER							
Eurotrack 100(26/10/90)	(u)	1339.42	1335.92	1366.18	22/10	1083.02	13/1
Euro Top-100 (26/6/90)	(u)	1138.92	1137.62	1175.45	22/10	882.73	13/1
JCapelDrgns (31/12/88)	(u)	316.71	310.14	316.71	12/11	188.82	4/1
Barings Emerg.(7/1/92)	(u)	140.27	139.83	140.27	12/11	99.81	4/2

CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Nov	2186.0	2185.0	+4.0	2191.0	2178.0	21,460	35,182
Dec	2199.0	2198.0	+3.0	2201.0	2190.0		36,020
Jan	-	2211.5	+4.0	-	-	-	-
Mar	2232.0	2231.0	+3.0	2232.0	2224.0	-	9,013

Open interest figures for previous day.

** Saturday October 30: Taiwan Weighted Price: 4100.08 , Korea Comp Ex: 738.28 . Base values of all indices are 100 except: Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., CAC40, Euro Top-100, ISEQ Overall; Toronto Composite and Metals and DAX – all 1,000; JSE Gold – 255.7; JSE 25 Industrials – 264.3; NYSE All Common – 50 and Standard and Poor's – 10. Toronto indices based 1975 and Montreal Portfolio 4/1/83. (c) Closed. (na) Unavailable. ♥ Subject to official recalculation.

US INDICES

Dow Jones	Nov 15	Nov 12	Nov 11	1993 High	1993 Low	Since compilation High	Since compilation Low
Industrials	3684.51	3682.43	3683.55	3697.64 (2/11)	3241.95 (20/1)	3697.64 (2/11/93)	41.22 (2/7/32)
Home Bonds	109.17	109.13	108.97	108.77 (18/10)	103.48 (11/1)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	1752.07	1734.98	1741.39	1762.07 (12/11)	1453.84 (4/1)	1762.07 (12/11/93)	12.32 (8/7/32)
Utilities	224.95	223.97	225.68	256.46 (31/8)	217.14 (8/1)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high ( ) Low ( ) (Theoretical♦)
Day's high ( ) Low ( ) (Actual♦)

Standard and Poors	Nov 15	Nov 12	Nov 11	1993 High	1993 Low	Since compilation High	Since compilation Low
Composite ‡	465.39	462.64	463.72	469.50 (15/10)	429.05 (8/1)	469.50 (15/10/93)	4.40 (1/6/32)
Industrials♥	538.82	534.96	535.39	538.82 (12/11)	496.48 (26/4)	538.82 (12/11/93)	3.62 (21/6/32)
Financial	43.88	43.57	44.03	48.40 (28/9)	39.89 (8/1)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	257.57	256.08	256.57	260.48 (15/10)	236.21 (8/1)	260.48 (15/10/93)	4.46 (25/4/42)
Amex Mkt Val	479.60	477.98	475.70	484.28 (2/11)	395.84 (8/1)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	778.32	778.96	778.80	787.42 (15/10)	645.87 (26/4)	787.42 (15/10/93)	54.87 (31/10/72)

RATIOS

	Oct 29	Oct 22	Oct 15	Year ago
Dow Jones Ind. Div. Yield	2.77	2.78	2.81	3.21
	Oct 27	Oct 20	Oct 13	Year ago
S & P Ind. Div. yield	2.42	2.20	2.47	2.68
S & P Ind. P/E ratio	28.51	28.48	28.00	27.52

STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Close	Change	High	Low	Est. vol.	Open int.
Dec	464.50	464.70	+0.20	465.65	463.85	63,733	190,188
Mar	465.55	465.80	+0.45	466.60	465.05	470	8,195
Jun	466.20	466.90	+0.95	467.60	466.10	12	2,170
Sep	-	467.85	-	469.60	467.20	50	338

Open interest figures are for previous day.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
Merck	na	32¾	+1
Ill. Wall Fil	na	20	-⅛
IBM	na	50⅝	-⅛
Gen Motors	na	27⅝	+⅛
Wal-Mart	na	27⅞	+⅛
Telefonos	na	53¾	-1⅛
Pacif Tel	na	55	-4⅝
RJR Nabisco	na	6	+⅛
Dun Bradst	na	66	+1¼
Citicorp	na	35⅞	-1⅛

TRADING ACTIVITY

Volume (million)			
New York SE	340,895	304,739	293,847
Amex	23,497	20,381	19,294
NASDAQ	na	324,693	273,127
NYSE			
Issues Traded	2,881	2,863	2,864
Rises	862	890	1,070
Falls	1,519	1,139	980
Unchanged	560	634	618
New Highs	68	113	123
New Lows	65	31	19

♥ Correction. * Calculated at 15.00 GMT. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation.
♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's).

Equity market indices from major stock *markets worldwide. Indices quoted are* those used as the main day-to-day local benchmarks of leading shares. Where *more than one index is shown for any* country, the second is often a wider *measure, including second-tier stocks.* Cross border indices are also shown. Indices sponsored by the FT appear elsewhere in the paper.

The table also includes supporting data for key US indices, along with the most active stocks on the New York Stock Exchange and some indicators of trading activity. Two stock index futures are currently quoted on this page. Others will be added in the coming months.

Features

1. Name of index and base date. Base values are 100 except where shown in footnote.
2. Values for most recent day and two preceding ones, where available by *press-time.*
3. High and low figures for the current year, together with the date on which *they occurred. In early part of the year,* this column shows highest and lowest price since beginning of previous year.
4. The four main Dow-Jones indices, together with highs and lows since compilation. For the D-J Industrial Average, intra-day high and low are shown, calculated in two ways: the actual figure report on a minute by minute basis, and a theoretical figure compiled by taking the highest and lowest levels reached by each of the constituent shares. Both figures are shown.
5. The three main Standard and Poor's indices. The S&P Composite is also known as the S&P 500. 5. Other key US indices
6. Dividend yields on the Dow-Jones Industrial Average and the S&P Industrials, and the price/earnings ratio *on the S&P Industrials, as calculated by* the publishers of the indices. The exact procedure for calculating these figures *varies from source to source, but the* general definitions are:

Yield =
Most recent 12 months dividends *per* share
divided by
share price expressed as a percentage
P/E ratio =
share price
divided by
most recent 12 months earnings per share.

7. In early editions of the FT, including the main Continental edition, the latest closing figures are shown for Europe and the Far East. US and Canadian indices, *on these editions, are as of the close on* the day before. Later editions show most recent close for all the markets. Some cross-border indices include previous *day's prices.*
8. A selection of the most active large-capitalisation US stocks, with volume of shares traded. In early editions of the FT these are shown as at the close two days before the date of publication.
9. Trading activity on the main US exchanges.
10. Supplementary figures from the New York Stock Exchange, including the number of issues traded yesterday, the number of issues which rose, the number which fell and those that remained unchanged on the day, together with those posting new 52-week highs and lows.
11. *Full details of the FT-Actuaries World* Index are published each day on the page that carries the World Stock Market *report. Cross-border and world indices* listed here include the Morgan Stanley/Capital International World Index, the FT-SE Eurotrack 100, the European *Options Exchange Euro-Top 100 (from* Amsterdam), the James Capel Dragons index *of south-east Asian markets,* and the Barings Emerging Markets Index. The IFC emerging markets index, which is calculated weekly, is published every Thursday on the page that carries the World Stock Markets reports. More details of the Baring indices will be published on Mondays in future.
12. Stock index futures on France's 40-share CAC-40 index and the 500-share S&P Composite index are published in this table. Data includes opening and closing prices, change, high and low on the day and volume. Open interest figures, *also included, are published a* day in arrears.

Variants: None

Time data gathered: up till 10pm London time

UK INTEREST RATES

Appears: Mon-Sat **On:** Currencies & Money

UK INTEREST RATES

LONDON MONEY RATES

Nov 16	Over-night	7 days notice	One month	Three months	Six months	One year
Sterling CDs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interbank Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treasury Bills	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bank Bills	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Local authority deps.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Discount market deps.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months

Certs of Tax dep. (£100,000)
Certs of Tax dep. under £100,000 is 2¾pc. Deposits withdrawn for cash 1½pc.
Ave. tender rate of discount 5.1953pc. ECGD fixed rate Stlg. Export Finance. Make up day June 30, 1993. Agreed rate for period July 26, 1993 to August 24, 1993, Schemes II & III 7.18pc. Reference rate for period May 29, 1993 to June 30, 1993, Schemes IV & V 5.939pc. Finance House Base Rate 6pc from July 1, 1993.

This table carries sterling interest rates for a variety of short term instruments and deposits.

Features

1. Interbank rates in sterling quoted by leading banks, shown for periods ranging from overnight to one year.
2. Sterling CD's: "certificates of deposit issued in sterling by UK banks and in which a secondary market exists. These carry a slightly higher rate than interbank loans." (The Financial Times Guide to Using the Financial Pages, by Romesh Vaitilingham, with additional material by Emma Tucker, Financial Times/Pitman, London 1993.)
3. *Treasury Bills: short-term* sterling government instruments.
4. Bank Bills: short-term sterling instruments issued by financial institutions.
5. Local authority deposits: interest rate on money lent to local authorities.
6. The footnote lists various official government rates, such as those set by the Inland Revenue.

This table will also include clearing bank base rates.

Variants: None

Time data gathered: up to 5pm

Source: Various

INTERNATIONAL MONEY RATES

Appears: Mon-Sat On: Currencies & Money page

MONEY RATES

November 11	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	2	3	4	5	6	7	8	9
week ago	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	-
France	6⅝	6⅝	6⅝	6½	6⅜	6.45	-	7.75
week ago	6⅝	6⅝	6.575	6.575	6.575	6.45	-	-
Germany	6.45	6.45	6.35	6.15	5.85	6.75	5.75	6.39
week ago	6.50	6.45	6.475	6.425	6.125	6.75	5.75	-
Ireland	6⅞	6⅞	6⅞	6¼	6¼	-	-	6.75
week ago	6¾	6⅝	6⅝	6⅝	6⅜	-	-	-
Italy	8⅝	9	9	8¾	8½	-	8.50	8.87
week ago	9	9	8¾	8¾	8½	-	[illegible]	-
Netherlands	6.18	6.16	6.07	5.84	5.55	-	5.25	-
week ago	6.40	6.16	6.455	6.375	6.35	-	5.25	-
Switzerland	0	4⅝	4⅝	4½	4⅜	6.625	4.25	-
week ago	4¾	4⅝	4½	4½	4½	-	4.25	-
US	3⅛	3⅛	3⅜	3⅜	3⅝	-	3.00	-
week ago	3⅛	3⅛	3⅛	3⅜	3⅜	-	3.00	-
Japan	2⅛	2⅛	2⅛	2⅛	2⅛	-	1.75	-
week ago	2⅛	2⅛	2⅛	2⅛	[illegible]	-	1.75	-
$ LIBOR FT London Interbank Fixing	-	3⅜	3½	3½	3¾	-	-	-
week ago	-	3⅜	3⅜	3½	3⅝	-	-	-
US Dollar CDs	-	3.00	3.12	3.24	3.54	-	-	-
week ago	-	3.00	3.06	3.14	3.38	-	-	-
SDR Linked Ds	-	4⅛	4⅛	4	3⅞	-	-	-
week ago	-	4⅛	4⅛	4⅛	4⅛	-	-	-

$ LIBOR interbank fixing rates are arithmetic means rounded to the nearest one-sixteenth, of the bid [illegible]

Contains key international short-term interest rates, including the daily FT calculation of the dollar London Interbank Offer Rate (Libor).

Features

1. Country name
2. Rate on overnight money
3. Rate on one-month money
4. Rate on three-month money
5. *Rate on six-month money*
6. Rate on one-year money
7. Lombard rate, for those continental countries that operate this system of interest-rate management.
8. Discount rate: different countries use the discount rate for slightly different purposes, since short-term money market management techniques vary from central bank to central bank.
9. Repo rate: rate on central bank "repos" for those countries that make use of this technique.
10. London dollar Libor, fixed by the FT by taking rates from four *reference* banks at 11am each working day. For bank details, see footnote to table.
11. Dollar certificates of deposit
12. Deposits linked to the IMF's Special Drawing Rights.

Note: long-term New York money rates formerly carried on this page have now been moved to the International Capital Markets page, along with other international long-term interest rates.

Variants: None

Time data gathered: up to 5pm

Source: Various

COMMODITIES PRICES

3-60	4840-20
	4900/4820
5-10	4850-60
	4870-80
	12,199
	4,017

($ per tonne)	
-25	941-42
-30	946-47
32	949/937
22.6	938.5-39
	947-48
	66,905
	27,276

(tonne)	
3-09	1632-33
-33	1657-58
	1650/1626
3-11	1634-35

ENERGY

CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Nov	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

CRUDE OIL IPE ($/barrel)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

May	[illegible]	-1.75	[illegible]
Jul	838.50	-1.75	[illegible]
Aug	835.75	-1.75	6
Total			

SOYABEAN OIL CBT

Oct	[illegible]	[illegible]
Dec	[illegible]	[illegible]
Jan	[illegible]	[illegible]
Mar	[illegible]	[illegible]
May	[illegible]	[illegible]
Jul	[illegible]	[illegible]
Total		

SOYABEAN MEAL C

Oct	[illegible]	[illegible]
Dec	[illegible]	[illegible]
Jan	[illegible]	[illegible]
Mar	[illegible]	[illegible]
May	[illegible]	[illegible]
Jul	[illegible]	[illegible]

The commodity price tables have been redesigned for a number of reasons. One is to include more information, such as the day's price change, and the level of open interest. Another is to make them more readable.

The most radical change is to regroup the tables by commodity rather than by exchange as in the past. Thus, the tables now appear under a set of group headings: base metals, precious metals, energy, grains and oil seeds, softs and meat and livestock.

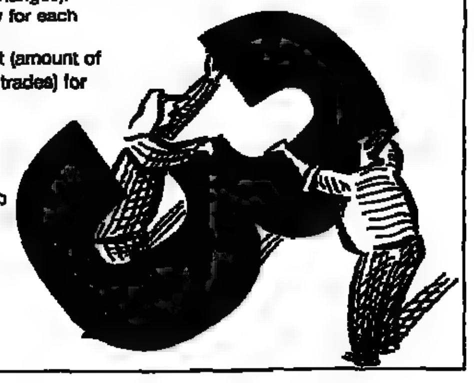
This will enable readers with an interest in a particular commodity to find all the relevant prices under a single heading rather than having to hunt for them under different exchanges. For example, the energy section contains oil and gas prices from both the NYMEX and the IPE.

We shall also be carrying the widely followed CRB commodity price index in addition to the Reuters index.

David Lascelles

Features

1. The name of the commodity
2. The exchange on which it is traded
3. The lot size (where applicable), the currency and pricing unit of the contract.
4. The settlement price, and change on the day (in early editions these may contain interim prices from US exchanges).
5. The high and low for each monthly position.
6. The open interest (amount of uncovered forward trades) for each position.
7. The number of lots traded.
8. Prices are normally given up to six traded months out.



THE FT's NEW STATISTICS

After the big changes of recent years, the London stock market tables remain largely unaffected by the latest developments. A new Key Indicators table summarises the day's moves, and introduces the FT's own calculation of the yield ratio.

FT-SE ACTUARIES UK SERIES OF INDICES

Appears: Tues-Sat **On:** London stock market page

FT - SE Actuaries Share Indices

	Oct 20	Day's chge%	Oct 19	Oct 18	Oct 15	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3129.6	—	3129.6	3137.6	3120.8	2845.7	3.75	5.49	22.62	84.66	1140.52
FT-SE Mid 250	3486.8	—	3486.8	3489.9	3479.8	2464.2	3.50	5.76	21.12	63.12	1258.45
FT-SE Mid 250 ex Inv Trusts	3485.8	—	3485.8	3488.8	3481.5	2469.4	3.61	6.18	19.83	85.44	1253.84
FT-SE-A 350	1560.7	—	1560.7	1563.8	1558.8	1270.8	3.70	5.55	22.26	41.10	1164.92
FT-SE SmallCap	1792.12	—	1792.11	1791.81	1788.09	–	3.08	3.82	35.87	37.56	1359.21
FT-SE SmallCap ex Inv Trusts	1777.90	—	1777.89	1777.18	1774.38	–	3.28	4.23	33.48	39.65	1344.46
FT-A ALL-SHARE	1545.92	—	1545.92	1548.78	1541.91	1246.09	3.68	5.44	22.82	40.20	1174.38

FT-Actuaries All-Share

	Oct 20	Day's chge%	Oct 19	Oct 18	Oct 15	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
1 CAPITAL GOODS(215)	1056.57	—	1056.57	1060.97	1060.08	760.37	3.67	4.00	32.75	29.87	1253.14
2 Building Materials(28)	1191.78	—	1191.78	1192.81	1182.36	721.43	3.84	2.89	50.29	32.06	1392.88
3 Contracting, Construction(29)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals(15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics(38)	2896.15	—	2896.15	2907.82	2881.88	2046.60	3.01	5.75	21.26	65.49	1269.46
47 Water(13)	3890.34	—	3890.34	3889.06	3882.22	3013.30	4.56	11.10	8.05	106.71	1257.97
48 Miscellaneous(32)	2444.25	—	2444.25	2480.84	2470.30	2235.65	4.32	7.83	14.98	83.01	1025.22
49 INDUSTRIAL GROUP(596)	1549.31	—	1549.31	1550.81	1543.79	1317.62	3.67	6.07	20.09	39.42	1112.41
51 Oil & Gas(17)	2761.20	—	2761.20	2741.74	2733.28	2116.60	4.08	5.80	21.57	84.22	1278.57
59 "500" SHARE INDEX(616)	1654.57	—	1654.57	1654.69	1647.46	1391.50	3.72	6.04	20.24	43.04	1129.08
61 FINANCIAL GROUP(91)	1202.19	—	1202.19	1215.73	1210.27	789.95	3.59	[illegible]	47.49	33.51	1424.85
[illegible] Banks(9)	1654.99	—	1654.99	[illegible]	[illegible]	1074.22	[illegible]	3.79	36.27	45.27	1438.43

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3104.9	3101.8	3110.1	3110.3	3112.8	3121.7	3125.3	3121.4	3120.0	3126.7	3100.9
FT-SE Mid 250	3469.3	3470.2	3470.1	3472.0	3473.3	3476.1	3478.0	3479.3	3479.2	3479.6	3469.3
FT-SE-A 350	1549.4	1548.3	1551.5	1551.7	1552.9	1556.6	1558.2	1556.8	1556.2	1558.8	1547.9

FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Construction	1975.8	1974.2	1976.7	1978.9	1980.6	1980.6	1982.0	1982.0	1981.5	1982.0	1974.9	+7.1
Health & H'hold	1097.8	1096.6	1098.6	1097.7	1098.8	1101.7	1102.9	1099.5	1098.2	1097.3	1088.3	+9.0
Water	1609.9	1608.7	1606.6	1603.7	1603.9	1605.3	1606.7	1606.1	1604.2	1604.2	1609.4	-5.2
Banks	2019.7	2015.1	2031.0	2032.8	2033.9	2038.1	2036.7	2033.1	2034.9	2034.0	2001.1	+32.9

Capitalisation-weighted indices for the 817 companies that currently form the All-Share universe, making up approximately 97-99 per cent of the total UK stock market capitalisation. Each year the FT-SE Actuaries UK Indices Committee sets a minimum market capitalisation for eligibility for the All-Share, to achieve the 97-99 per cent target. From January 1994, the eligibility threshold is £30m.

The table contains the index numbers for each index in the series. The largest 100 companies in the All-Share, ranked by market capitalisation, form the FT-SE 100 Index. The next 250 form the FT-SE Mid 250, and the remaining 467 the FT-SE SmallCap. The 100 and 250 together form the FT-SE Actuaries 350. Both the 250 and the SmallCap are also calculated excluding investment trusts. There are at present no investment trusts in the FT-SE 100.

The indices are also divided by industrial sector, gathered together in a number of broad economic groups. The classification shown here will apply only to the end of 1993; a revised classification, which differs in some important respects, takes effect from January 1994. Additional data - such as price-earnings ratios, dividend and earnings yields, and total return - are shown for each index.

Features

1. Name of sector and numbers of companies it contains. Industrial sectors are combined to form economic groups. The structure of industrial sectors and economic groups will change as from January 1994. Full details of the proposed changes were published in the FT of October 8 1993.
2. Index figure at yesterday's market close. Base for original sectors was set at 100 on April 10 1962. Sectors added subsequently were introduced at base figures which broadly reflected the levels of comparable stocks.
3. Change on day, expressed as a percentage. It is conventional to show All-Share Changes in percentage terms, rather than the number of index points more commonly used when referring to the FT-SE 100. In this sample no change is shown.
4. Close on previous three days and on same day a year ago.
5. Gross dividend yield, adjusted to reflect tax credit available in respect of Advance Corporation Tax.
   Dividend yield =
   most recent 12 months' gross dividends per share
   times
   number of shares in issue
   divided by
   total market capitalisation
   expressed as a percentage.
6. Earnings yield =
   most recent 12 months' 'maximum' earnings
   divided by
   total market capitalisation
   expressed as a percentage.
   Maximum earnings = net earnings adjusted to reflect the maximum allowable tax credit in respect of Advance Corporation Tax.
7. Price/earnings ratio =
   Total market capitalisation.
   divided by
   The sum of the most recent 12 months' net earnings of constituents (Net earnings = earnings minus any non-offsettable UK tax).
   Negative p/e ratios are not shown, nor are p/e ratios greater than 80. Most earnings figures are reflected in the index on publication of provisional results. Small or negative earnings figures are not included until they can be checked against the final audited results.
8. Ex-dividend adjustment: This figure, a crucial ingredient in total return calculations, is the sum of the net dividends per share paid by companies in a sector, multiplied in each case by the number of shares outstanding and divided by the base figure of the index. It is reset to zero at the start of each year.
9. Total return: This calculation assumes that dividends, received gross, are reinvested in the relevant index. The figure shows the total rolled-up reinvested index value, based on December 31 1992 = 1,000.
10. Industrial Group: Includes all non-financial companies excluding oil and gas.
11. "500" index now includes more than 500 companies. Includes all non-financial companies. Traditionally, analysts calculate market p/e ratios for the 500 or the Industrial Group. Market yields are conventionally calculated for the All-Share.
12. Hourly movements are shown for the three "real-time" indices, together with their intra-day highs and lows and exact time of the day's high and low for the FT-SE 100. These three indices are calculated every minute during the trading day.
13. Hourly movements of four of the most active of the FT-SE Actuaries 350 industry baskets are shown, together with the previous close and the change on the day. Each basket contains those members of All-Share industry sectors large enough to be included in the FT-SE Actuaries 350.

When constituent changes occur, they are noted at the bottom of the table.

Variants: Saturday: includes high and low figures since compilation and year-to-date, together with the dates they were achieved. Monday: not published.

Time data gathered: 4.30pm

Sources: London Stock Exchange and FT earnings and dividends database

Saturday version of this data:

Indices

%	Oct 19	Oct 18	Oct 15	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1993 High		1993 Low		Since Compilation High		Since Compilation Low	
–	3129.6	3137.8	3120.8	2845.7	3.75	5.49	22.62	84.66	1140.52	3137.8	18/10	2737.5	19/1	3137.8	18/10/93	[illegible]	23/7/84
–	3486.8	3486.9	3479.8	2464.2	3.50	5.76	21.12	63.12	1258.45	3513.3	27/8	2876.3	13/1	3613.3	27/8/93	1379.4	21/1/86
–	3485.8	3486.8	3481.5	2469.4	3.61	6.18	19.83	85.44	1253.84	3525.5	27/8	2874.6	1/1	3525.5	27/8/93	1378.3	21/1/86
–	1560.7	1563.8	1558.6	1270.8	3.70	5.55	22.26	41.10	1164.92	1563.8	18/10	1346.7	19/1	1563.8	18/10/93	664.5	14/1/86

LONDON STOCK MARKET KEY INDICATORS

Appears: Tue-Sat **On:** London stock market page

Key Indicators

Indices and ratios

FT SE 100	3030.1	-6.0	FT Ordinary Index	2323.6	-5.9
FT-SE Mid 250	3434.4	-3.2	FT-A 500 p/e	19.73	(19.88)
FT-SE-A 350	1517.0	-2.9	FT-SE 100 Fut Dec	3062.0	-12.5
FT-A All-Share	1503.92	-2.75	10 yr Gilt yield	8.06%	(8.07%)
FT-A All-Share yield	3.80	(3.74)	Yield ratio:	0.51	0.51

Best performing sectors		Worst performing sectors	
1 Health & Household	+24.85%	1 Contracting, Constrcn	-17.25%
2 Coats Viyella	1234.5	2 Coats Viyella	1234.5
3 Wessex	1234.5	3 Wessex	1234.5
4 A.N. Other	1234.5	4 A.N. Other	1234.5
5 Plus one more	1234.6	5 Plus one more	1234.5

Pulls together in one place all the key UK equity market indicators. Table is accompanied by a chart showing recent performance of the All-Share index and equity turnover in millions of shares, excluding intra-market business and overseas turnover.

Features

1. Close and change on the day of main FT-SE Actuaries equity indices. Change is shown in index points, not as percentage.
2. Medium-term interest rates (for more detailed medium- and long-term UK interest rates, see Capital Markets page. For short-term interest rates, see Currencies and Money page).
3. Gilt/Equity Yield ratio, calculated as:
   Gross redemption yield on 20-year high-coupon gilts, as shown in FT-Actuaries Fixed Interest Indices.
   divided by
   Gross dividend yield on FT-Actuaries All-Share Index
   The All-Share yield comes from the table elsewhere on the London Stock Market page. The gilts yield comes from the table on the Capital Markets page. The higher the yield ratio, the more "expensive" the equity market relative to gilts. Over the past two decades the yield ratio has typically hovered between 2 and 2.5.
4. The FT Ordinary Share Index. This, the original 30-share FT index, started in 1935 and has been calculated every day since. Fuller statistics on this index appear each day in the FT Equity Indices Table, published on the World Stock Markets page in the UK edition of the FT, and on the London stock market page in the international edition.
5. The gross dividend yield on the FT-Actuaries All-Share index. For details see note on the FT-SE Actuaries indices.
6. Price/earnings ratio on the FT-A 500 index. For details see note on the FT-SE Actuaries Indices.
7. The closing price of the FT-SE 100 future.

Variants: Sat: table includes FT-SE 100 daily close on each day of the week plus the week's intra-day high and low. Best and worst performing sectors do not appear on this day, but a more comprehensive table of Leaders and Laggards is published elsewhere on the page.

Time data gathered: Close of London markets

Sources: as main tables

LONDON SHARE SERVICE

Appears: Mon-Sat **On:** own pages

CONTRACTING & CONSTRUCTION

	Notes	Price	+ or -	1993 high	1993 low	Mkt Cap £m	Yld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The core of the FT's coverage of the UK equity market. Contains approximately 3,000 securities, including many whose primary listing is overseas.

To allow easy comparison of directly competitive companies, they are listed by industry sectors, using the classification adopted by the FT-SE Actuaries Share Indices. A small number of shares are reclassified each year, and a more substantial reclassification will come into effect in January 1994.

The primary line of a company's equity is shown in all cases. In some cases secondary lines or warrants are also shown.

Companies pay an annual fee for inclusion. The data is calculated by the FT and the editor's decision on inclusion of any individual stock is final. Listing on these pages does not affect a company's eligibility for FT-sponsored indices.

Features

1. Name of security. Where stocks are denominated in currencies other than sterling, this is noted after the name.
2. ♣ Symbol indicating company's annual report is available from FT Free Annual Report Service (see footnote on London Share Service pages or call 081-643-7181 for details).
3. ☐ Symbol indicating that stock is relatively actively traded.
4. Yesterday's closing price. In the case of stocks listed on the London Stock Exchange's SEAQ system, this is the "yellow-strip" price, reflecting the mid-price of the best bid and offer. For many less liquid stocks, the spread may be wide and the price available to a seller or buyer may be significantly less favourable. Note that these are prices at which marketmakers are ready to deal in small volumes, which may not be the same as the price at which the last transaction took place, or the price available for larger trades. Overseas prices may be based on transaction prices rather than marketmaker prices.
5. Highest and lowest intra-day price achieved in current year. In early part of the year, this column shows highest and lowest price since beginning of previous year. The FT plans to introduce 52-week rolling highs and lows within the next few months.
6. Market capitalisation, shown separately for each line of a company's stock.
   Market capitalisation =
   share price x number of shares in issue.
7. Gross dividend yield, adjusted to reflect 20 per cent tax credit for UK Advance Corporation Tax, where relevant.
   Yield =
   most recent 12 months dividends per share
   divided by
   share price
   expressed as a percentage.
8. Price/earnings ratio =
   share price
   divided by
   most recent 12 months earnings per share.
9. Where the letter N appears after a company's name, the earnings figure used for this calculation is based on the "headline earnings" definition published by the Institute for Investment Management & Research, 211-213 High St, Bromley, Kent BR1 1NY. This approach seeks to strip out truly exceptional elements in corporate earnings, to yield a figure closer to the company's underlying earnings for the year. Over time, the FT will move all the UK earnings calculations shown in this table to the IIMR definition.
10. xd indicates that stock is currently ex-dividend. Purchasers are no longer eligible for the most recent dividend.

Quoted investment vehicles are divided into two categories. Those authorised by the Inland Revenue are included under the heading Investment Trusts. Those not so authorised are listed as Investment Companies. For both these categories, the Market capitalisation and Price/earnings ratio figures are replaced by net asset value, calculated by NatWest Securities as at 3.45pm on the day preceding publication. The extent to which the share price represents a discount or premium to the NAV is also indicated. Premiums are shown as negative numbers.

Variants: Mon: tables include a series of items which change less often: dividends, dividend cover (the number of times available maximum earnings cover a company's dividend payout), dividend payment dates, the last ex-dividend date, the week's percentage change in share price, and the Cityline code which allows real-time access to individual share prices from any telephone.

Time data gathered: Prices: 4.30pm. Other data: up to 6pm

Sources: London Stock Exchange and FT earnings and dividends database

NB POWER

to need wo... to proceed. In the Ukraine, unable and ... and deputy ... Electricité de France, told the ...

LONDON STOCK EXCHANGE

London stocks fall sharply with global trend

By Terry Byland, UK Stock Market Editor

Gloomy trends in world stock markets took their toll of UK equities yesterday, and although business volume was not heavy, share prices fell across a wide range. UK traders rightly sensed that London would be unable to resist the heavy fall in Tokyo and the signs of a renewed side in US Federal bonds, and prices were marked lower from the opening.

A very slight attempt to rally was quickly halted when Wall Street opened the new session with a fall of 35 Dow points in London hours, and the FT-SE Index closed virtually at the day's low, a fall of 37.4 bringing a reading of 3,070.6.

The negative influences from other global centres had to be digested by a stock market already inclined to take cover after UK analysts had suggested that the base rate cut so keenly expected on Budget Day, a week today, might be postponed for a while.

The setback in equities in London, which saw the Footsie 3,100 mark abandoned, was emphasised by significant losses in government bonds and by a setback in bourses across Europe, with Germany hit by disappointing money supply figures.

The FT-SE Mid 250 Index abruptly reversed the recovery of the past week, sliding 19.9 to 3,435.4. But traders' conviction that genuine trading volume had been relatively unexciting was borne out by a Seaq total of only 455.4m shares against 514.4m on Friday.

Yesterday's trading session appeared to reflect the host of bearish factors which have been leaning on the London stock market for the past two weeks. The renewed weakness in US Federal bonds reminded UK dealers of the reasons behind the tremor suffered towards during the previous equity account.

Moreover, weakness in Tokyo underlined the implications of last week's decision by a US investment bank to lighten holdings in the Japanese equity market.

Near-term confidence was running low at the London close, when traders were bracing themselves for a difficult opening to trading today if the Dow Industrial Average continues to fall. Some stock was sold yesterday but most of the big institutions have largely closed down trading positions ahead of next week's Budget speech – a process hastened by Friday's problems with the Seaq electronic system.

Particularly unsettling was the setback in UK government bond prices which undermined confidence in prospects for Budget rate cut as well as bringing into close focus the market's apprehension that the turn to higher rates may come sooner than expected.

US-influenced stocks suffered the most in the shakeout, although dealers said that share prices had been marked down too quickly for sellers to unload stock. The problems may come later in the week, if fund managers seize opportunities to sell if the market shows signs of recovery.

Bank shares were among the most hard hit, hit both by weakness in the financial sectors on Wall Street and by fear that and pressure towards higher interest rates at home will revive all the problems of bank loan books. The sector has strongly outperformed the market in recent weeks and traders were quick to take profits yesterday.

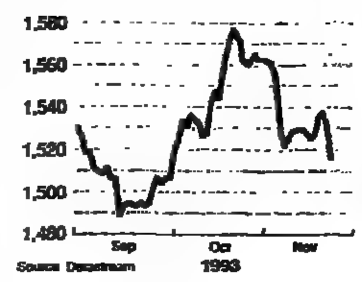
Consumer and retail stocks ended with modest losses ahead of a week which wil bring important trading results from the sector and test confidence in the prospects for a consumer-led recovery in the domestic economy. While these sectors are closely linked to base rate hopes, investors have been cautious during the run-up to the Budget and marketmakers have avoided taking large positions.

Account Dealing Dates

*First Dealings:	Nov 15	Nov 29	Dec 13
Option Declarations:	Nov 25	Dec 9	Dec 30
Last Dealings:	Nov 26	Dec 10	Dec 31
Account Day:	Dec 6	Dec 20	Jan 10

*New time dealings may take place from two business days earlier.

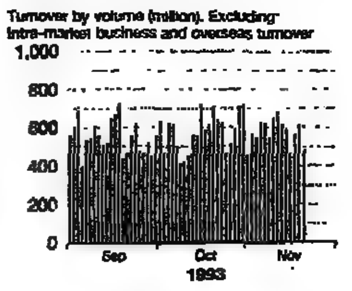
FT-A All-Share index



Source Datastream

Equity Shares Traded

Turnover by volume (million). Excluding intra-market business and overseas turnover



■ Key Indicators

Indices and ratios

FT SE 100	3070.6	-37.4	FT Ordinary Index	2328.2	-29.4
FT-SE Mid 250	3435.4	-19.9	FT-A 500 p/e	19.69	(19.87)
FT-SE-A 350	1532.7	-16.5	FT-SE 100 Fut Dec	3067.0	-44
FT-A All-Share	1517.41	-15.71	10 yr Gilt yield	6.75	(6.68)
FT-A All-Share yield	3.75	(3.71)	Yield ratio:	0.52	(0.52)

Best performing sectors

1 Insurance Brokers .... +0.4
2 Business Services .... +0.2
3 Packaging & Paper .... +0.1
4 Transport .... -0.1
5 Electricals .... -0.2

Worst performing sectors

1 Insurance (Composite) .... -2.6
2 Banks .... -1.9
3 Brewers & Distillers .... -1.8
4 Telephone Networks .... -1.8
5 Financial Group .... -1.6

Reuters suffers on heavy US selling

Electronic news and financial information group Reuters Holdings reeled following heavy international selling and the after effects of a poorly-received international conference call at the end of last week.

Dealers said that late on Friday afternoon, UK time, one US brokerage sold the equivalent of 900,000 shares in New York in the form of American Depositary Receipts (ADRs) – by contrast, average daily turnover for the stock in the UK is around 1m.

As the sell order was being placed Mr Peter Job, Reuters' chief executive, was holding an international telephone-link conference call with analysts in the US and UK. Mr Job is generally considered to have an understated style that verges on the downbeat.

Mr Paul Norris, of BZW, said: "While the detail was positive, US investors felt the tone of the meeting was not barnstormingly bullish enough. It certainly went down a lot better in the UK."

The stock was marked down sharply before the start of dealing in the UK yesterday. It attempted to rally from the bottom in mid-morning but by then the dreary tenor of the London market had overtaken it and the stock drifted off to close 41 lower on the day at 1586p with relatively high turnover of 1.7m shares.

Forte weak

News that Forte faces even stiffer competition than first reported for its management deal with Ciga, the loss-making Italian hotelier, came in stark contrast to the recent rush of good news, which has underpinned the solid performance in the group's shares.

Forte announced the proposed tie-up last month, paying £33m cash and inserting some of its own luxury hotels with a value of about £125m into an Italian operating company. Although the deal is currently undergoing due diligence, Hyatt Hotels was recently reported by industry sources to be considering a late bid, and yesterday came reports that two other US groups, Marriott and Sheraton were also in contention.

The shares fell 3 to 234p, are now believed by some leisure specialists to be fully-priced.

Banks suffered heavy selling with dealers talking of a big sell note expected this week, and saying US holders of the sector were also aggressive sellers. Barclays dropped 14 to 561p, as did NatWest to 542p, while HSBC, also upset by the weakness of the Hong Kong market, lost 13 to 725p. Lloyds fell 16 to 564p.

Abbey National, thought to be about to issue a statement on trading prospects for the second-half, eased 6 to 408p.

Independent Insurance, the first composite insurer to obtain a listing since the Second World War, performed exceptionally well on its debut. Offered and placed at 225p a share, the stock price opened at 263p before easing back and eventually closing at 255p.

Widespread market weakness hit the big composites where Guardian Royal closed 8 off at 194p, while Royals lost 13 to 283p. General Accident gave up the same amount to 648p.

Revived speculation that the Kuwait Investment Office may be preparing the way for the sale of its 9.9 per cent stake in BP – well in excess of 540m shares and worth around £1.85bn, together with nervousness ahead of today's Opec meeting in Vienna, unsettled the shares and undermined the rest of the oil sector.

The market's initial reaction to the KIO story was to mark BP shares down to 335p. Once the early uncertainty had passed, however, the stock price began to rally, closing the session 2 easier at 339p, after turnover of 8.7m.

Shell dipped 6 to 681p and Enterprise lost 3 to 448p.

Utilities were among the best performing areas of the market as the prospect of a series of big dividend increases later this week from the likes of PowerGen, Scottish Power and South West Water cushioned share prices from the effects of the general sell-off in European stock markets.

Waters, recs and power generators invariably attract substantial investment from funds switching out of the highly geared FT-SE stocks into the high yielding and defensive sectors.

PowerGen is the first of the three utilities sector stocks to announce interim figures this week.

The recs provided the biggest risers, with Seeboard 6 firmer at 651p, and South West and Norweb up 4 each at 609p and 658p. PowerGen, still feeling the effects of a NatWest recommendation to switch from PowerGen to National Power, to take advantage of an over large price differential between the two stocks, fell 8 to 462p. Scottish Power eased 3 to 408p.

At the start of an intriguing week of results from food manufacturers, the sector held up well in the weak market, although dealers said turnover was thin. NatWest Securities became the latest broker to turn more positive on the buffeted sector, believing the recent underperformance overdone. NatWest says that cyclical recovery and yield considerations make the case for shifting from an "underperform" to "neutral" stance after 11 months a good one.

Among the three companies reporting this week, Northern Foods stayed at 229p, Hazlewood Foods slipped a penny to 160p, as did Tate & Lyle to 389p.

News of the break-down of the Alcazar European airline consortium boosted sentiment in British Airways and the shares stayed firm at 409p. Reports of an electrical fault at Eurotunnel added to the shares' slide, 13 off at 435p.

Losses and provisions at engineering group Babcock knocked the shares, which finished 2¼ down at 26¼p.

Press reports that BMW is interested in buying Rover – with a price tag of £1bn being mooted – lifted British Aerospace. The shares hardened a penny to 424p.

Tomkins was weakened by a downgrade, said by dealers to have come from NatWest Securities. The shares fell 6 to 226p.

Speciality chemicals group Holliday Chemical Holdings slumped 51 to 174p on a profits warning.

Publishing group EMAP bucked the trend after announcing increased first half profits and saying it detected signs of a market upturn. The shares lifted 10 to 355p.

United Newspapers rose 7 to 529p on weekend press stories that the group was discussing a merger with the Irish Independent group.

Theme park operator Euro Disney was again under pressure as French press reports that some banks were trying to offload some of their debts in the group at a hefty discount hit the market. The shares later rallied to close 13 off at 407p.

BT slipped 7 to 462½p, matching the decline in the FTSE, with JP Morgan, the US investment bank, said to have taken the stock off its buy list. Vodafone eased 4 to 520p; dealers are expecting a near 17 per cent increase in the interim due this morning.

■ NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (56)
BRITISH FUNDS (2) Treas. 2pc IL '94, Cv. 9½pc '05, AMERICANS (1) Lowe's, CANADIANS (2) Brascan, TVX Gold, BREWERS (1) Burtonwood, BLDG MATLS (1) Marley, CHEMS (1) Croda Intl., CONGLOMERATES (1) Lonrho, CONTG & CONSTRCN (1) Maunders (J), ELECTRONICS (3) Kewill Systems, Psion, ENG GEN (3) Haden MacLellan, Hampson, Renold, HEALTH & HSEHOLD (1) Mayborn, HOTELS & LEIS (1) Castle Comms., INSCE LIFE (1) Aegon, INV TRUSTS (10) Baring Puma, Fleming Chinese Inv., Jakarta, Latin Amer. Extra Yld., Mexico Fund, Oriental Smaller Co's, Schroder Korea Fd., Schroder Split Zero Pf., Sth. Amer. Wts., Spanish Smlr. Co's, MEDIA (5) City of Lon. PR, Euromoney Publs., Flextech, Independent, VTR, MISC (3) Black (P), Kershaw, Rhino, MOTORS (2) Channel, Jacks (Wm), OIL & GAS (2) Ohio, Pict, PACKG, PAPER & PRINTG (3) Arjo Wiggins Appleton, De La Rue, Filofax, PROP (3) Benchmark, Clarke Nickolls & Coombs, Greens Prop., STORES (3) Cantors, Carpetright, Rosebys, WATER (2) Chesm A, Do B, MINES (7) Anglo Amer. Gold, Bakyrchik, Kinross, Loraine, Welkom Gold, Western Areas, Western Deep.

NEW LOWS (33)
BRITISH FUNDS (4) Treas. 8¾pc '94, Exch. 12¼pc '94, Exch. 13½pc '94, Treas. 14½pc '94, BREWERS (4) Burn Stewart, Taunton Cider, Macallan-Glenlivet, Merrydown, BUSINESS SERVS (1) Pacna, CHEMS (2) Courtaulds, Holliday Chem., CONGLOMERATES (1) Bisby IIL, CONTG & CONSTRCN (1) BE & SA, ELECTRONICS (1) Radamec, ENG GEN (2) Atlas Cnvtg. Equipment, Babcock Intl., FOOD RETAILING (1) Merchant Retail, HEALTH & HSEHOLD (2) Intercare, London Intl., HOTELS & LEIS (1) First Leis., INSCE BROKERS (2) Alex. & Alex., Hogg, INV TRUSTS (1) Dunedin Japan Wts., MEDIA (2) Goodhead, Hodder Headline, MTL & MTL FORMING (1) Triplex Lloyd, MISC (2) Black Arrow, Shanks & McEwan, OIL & GAS (1) Evergreen, OTHER INDLS (2) Brunccliffe Aggregates, Sawley, TEXTS (2) Dawson Intl., Hamlet.

Data based on those Companies quoted on the London Share Service.

EQUITY FUTURES AND OPTIONS TRADING

Complete erosion of the premium on the FT-SE 100 futures contract provided a perfect opportunity for arbitrage and contributed to a day of internationally-inspired market weakness, *writes Peter John*.

Fears that the US was poised to raise interest rates and prompt an investor dash away from Europe were compounded by a 556-point slide in the Japanese Nikkei and speculation that the Kuwait Investment Office was preparing to sell a huge amount of UK stock.

The KIO denied the sale speculation but the rumour set the trend for a jittery day. The December futures contract started to trade some 10 points down from its previous close of around 3,100, and was sold down straight away.

December spent much of the day some three points below the underlying cash market while dealers calculate that, at this stage in its cycle, it should be priced some six points above cash.

The weakness was exacerbated by some institutional selling and gave a chance for arbitrageurs, dealers who trade on the price differential between two markets, to unwind positions they had taken when the futures were at a healthy premium.

December drifted to end the day at 3,067 by the official close, three points below cash, on turnover of 12,511 contracts. It continued to slide in the after-hours session and hit 3,061 with another 3,000 contracts traded.

Options turnover was a high 50,711 contracts. BT, which was downgraded by US house J.P.Morgan, was the most active stock option on turnover of 2,700 lots. It was followed by BP with 1,900 lots.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	3104.0	3067.0	-44.0	3104.0	3060.0	15639	55613
Mar	3098.5	3085.0	-44.0	3105.5	3085.0	519	11144
Jun		3095.0	-44.0			0	961

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3067) £10 per full index point

	2875		2925		2975		3025		3075		3125		3175		3225	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Dec	202	11½	159	17½	115	24½	81½	38½	52½	60½	29½	87½	14½	123	6½	164
Jan	222	27	182	36	141	46	110	65½	80½	83	46	108	37	136	23	174
Feb	-	-	200	45½	-	-	128	78	-	-	76½	117	-	-	36	179
Mar	-	-	214	56	-	-	144	85½	-	-	88½	128	-	-	48	187
Jun	[illegible]															

[illegible]

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) (*3070) £10 per full index point

	2900		2950		3000		3050		3100		3150		3200		3250	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Dec	[illegible]										22	110	11	151	5	200
Jan	[illegible]										49½	128	31	165	19½	205
Feb	[illegible]										64½	135	49½	172	32	211
Mar	[illegible]										77½	146	59½	179	47½	215
Jun	[illegible]										-	-	97	201	-	-

[illegible] † Long dated expiry months. Premiums shown are based on settlement prices.

TRADING VOLUME

■ Major Stocks yesterday

	Vol. 000s	Closing price	Day's change
ASDA Group†	3,200	32½	-1
Abbey National†	3,400	409	-6
Albert Fisher	238	62	-1
Allied-Lyons†	1,400	571	-5
Anglian Water†	2,700	527	
Argos	152	335	-6
Argyll Group†	1,700	265	-4
Arjo Wiggins†	105	230	+2
Assoc. Brit. Foods†	498	496	+5
[illegible]			

FT - SE Actuaries Share Indices — The UK Series

[illegible]

■ FT-Actuaries All-Share

[illegible]

■ Hourly movements

[illegible]

■ FT-SE Actuaries 350 Industry baskets

[illegible]

LONDON EQUITIES

LIFFE EQUITY OPTIONS

[illegible]

TRADITIONAL OPTIONS

First Dealings	Nov. 8	Last Declarations	Feb. 10
Last Dealings	Nov. 19	For settlement	Feb. 21

3-month call rate indications are shown in Saturday editions.

Calls: Amber, Babcock, Baltic Gilford Tech., Bettmann, City of London, Hanson Wts., Minmet, Molyns, Natl. Home Loans, Naval Res., Prestwick, Polar TV, Signet. Puts: Royal Bk. Scotland, Signet, Tiphook. Puts & Calls: Amstco, Hanson Wts., Mountain Res., Tadpole Tech.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	3	72	3
Other Fixed Interest	0	3	12
Commercial, Industrial	163	466	792
Financial	11	80	77
Property	8	31	96
Investment Trusts	34	228	267
Oil & Gas	11	30	[illegible]
Mines	43	32	65
Others	40	58	51
Totals	313	1,000	1,401

Data based on those companies listed on the London Share Service.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt cap (£m.)	1993 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
					Abacus	162		NR3.5	2.0	2.7	23.0
					Abtrust Emrg Econ	89	-1½	-	-	-	-
					Do Warrants	49	-1	-	-	-	-
					Albion	166	+1	WN8.1	2.2	4.1	13.9
					BSM	103		W5.76	0.7	4.6	40.9
					BZW Endowment	52		-	-	-	-
[illegible]											

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1993 High	Low	Stock	Closing price p	+or-
85	Nil	23/11	14pm	5pm	§Comac	5pm	-1
-	Nil	23/12	1¼pm	½pm	Ferromet	1¼pm	
11	Nil	23/12	1¾pm	1¼pm	Graystone	1½pm	
¾	Nil	8/12	¾pm	½pm	IMC Inds	½pm	
18	Nil	6/1	21pm	10pm	§Rhino	16pm	
33	Nil	12/1	2½pm	¼pm	Scottish Metrp.	2½pm	
385	Nil	24/11	88pm	58pm	Siebe	65pm	+3
6	Nil	8/12	11pm	5pm	Upland Intl	5pm	-2
375	Nil	25/11	48pm	38pm	Wilson Bowden	41pm	
152	Nil	14/1	23pm	11pm	Wyevale Garden	11pm	

pm Price at a premium.

FINANCIAL TIMES EQUITY INDICES

	Nov 22	Nov 19	Nov 18	Nov 17	Nov 16	Yr ago	*High	*Low
Ordinary share	2328.2	2357.5	2371.4	2363.8	2347.9	2034.3	2414.2	2124.7
Ord. div. yield	4.00	3.95	3.93	3.93	3.96	4.54	4.88	3.82
Earn. yld. % full	4.67	4.62	4.57	4.60	4.63	6.34	6.38	4.47
P/E ratio net	26.78	27.11	27.39	27.23	27.04	20.10	28.30	19.40
P/E ratio nil	24.84	25.15	25.41	25.26	25.08	18.56	26.14	18.14
Gold Mines	247.8	245.3	245.8	242.5	245.9	63.3	249.2	60.0

*For 1993. Ordinary share index since compilation: high 2414.2 31/8/93; low 49.4 26/6/40. Gold Mines index since compilation: high 734.7 15/2/83 - low 43.5 26/10/71. Ordinary share base date 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2357.0	2344.9	2340.2	2334.5	2334.8	2337.1	2338.0	2337.5	2327.6	2357.0	2327.0

	Nov 22	Nov 19	Nov 18	Nov 17	Nov 16	Yr ago
SEAQ bargains	27,069	25,275	27,609	28,725	27,404	27,253
Equity turnover (£m)†	-	1173.4	1552.5	1453.2	1322.4	855.2
Equity bargains†	-	29,474	31,706	31,559	31,353	26,299
Shares traded (mln)†	-	479.2	603.9	565.5	570.5	393.8

† Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	+ or −	1993 High	1993 low	Mkt Cap£m	Yld Gr's
Abbott Labs		19¾	+⅛	20¼	16⅝	16,470	2.3
Allegheny & W	♥	495p	+7	722p	393p	207.8	4.3
Amdahl		329p	—	591p	294p	388.1	1.0
Amer Cyanamid		35⅝	—	39	31¾	3,173	3.3
Amer Express		20⅝	—	23⅛	14⅞	10,045	3.2
Amer T & T		38¼xd	+⅛	43¾	33⅛	61,644	2.3
Ameritech		52⅝	−⅛	55¾	46	22,077	4.7
Anheuser-Busch		33¼xd	−⅛	41¼	29⅝	9,236	2.9
BankAmerica		29⅛xd	−⅛	35⅛	27⅛	10,021	3.3
Bankers NY		38⅞	−⅛	54⅜	42⅝	4,199	4.1
Bell Atlantic		40⅝	−⅛	46⅝	32¼	17,467	4.4
BellSouth		37⅛	−⅛	42⅝	32⅝	18,339	5.0
Bethlehem Steel	♥	11⅞	+⅛	13⅛	8½	1,074	—
Bowater		1349p	−5	1652p	1186p	466.8	3.0
CPC		32¼	—	34⅝	28	4,932	2.7
California Engy		1195p	—	1479p	1098p	217.9	—
Chase Manhattan		22⅛	+⅛	24⅝	17⅛	3,483	3.8
Chrysler		36⅞	−⅛	39	21¼	10,798	1.1
Citicorp		23⅝	−⅛	26	13⅞	8,453	—
Colgate-Palm		39½	−⅛	45⅝	32	8,308	2.4
Cont'l Bank		1693p	−14	1677p	1278p	1,039	2.5
Dana		37⅛	−⅛	39⅞	29⅜	1,739	2.8
Data General		839p	−17	951p	827p	175.5	—
Decora Inds	♥	100p	—	149p	95p	—	—
Dun & Brad		43¾	−⅛	46⅞	37⅛	7,711	3.8
Eaton		34¾	+⅛	37⅛	25⅜	2,417	2.9
Echlin		22⅝	−⅛	22⅞	15⅛	1,318	2.1
FPL		24⅛	−⅛	27⅞	23⅛	4,451	6.7
Ford Motor		41⅝	−⅛	43⅛	28⅞	20,692	2.5
Gen Elect		68¾	+⅛	67⅛	53⅝	57,007	2.5
General Host	♥	475p	+8	725p	456p	—	4.8
Gillette		42⅛xd	−⅛	43⅛	31⅞	9,353	1.3
Hasbro		20⅞	—	20⅝	20⅝	1,919	0.8

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ELECTRICALS

ELECTRICALS - Cont.

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INVESTMENT TRUSTS - Cont.

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INVESTMENT COMPANIES

MEDIA

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

	Price	+or-	1993 high	1993 low	Mkt Cap£m	Yld Gr's
Sirocar Expl	11	—	12	8	2.03	–
Greenwich Res	18¼	—	22¾	8	12.5	–
Hanto Gold C$	67	—	88½	63½	677.4	1.4
Iberia West	37	+2	37	31	18.6	–
Kalle Mitsi	13	—	14	6	0.31	–
Kowcare	6½	—	13½	6	9.51	–
Malings Res	6½	+½	25½	7	0.84	–
Naxos Res	104	+6	104	25	20.7	–
Spc Ln Notes	93½	—	96½	[illegible]	18.8	–
Oryx Gold	48	—	76½	27	–	–
Ovoca Res	10	—	18	3½	0.70	–
RTZ	676	+1	746	607	7,213	5.1

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and including ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

□ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
● "Tap Stock"
* Highs and lows marked thus have been adjusted to allow for rights issues for cash
† Interim since increased or resumed
‡ Interim since reduced, passed or deferred
‡‡ Tax-free to non-residents on application
◆ Figures or report awaited
♦ Not officially UK listed; dealings permitted under rule 535(4)(a)
♣ Free annual/interim report available, see details below.
USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.

s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings

K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993.

T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 643 7181 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT7030. [If calling from outside UK, dial +44 81 643 7181 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (✝) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

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[illegible]

INSURANCES

[illegible]

OTHER UK UNIT TRUSTS

[illegible]

FT MANAGED FUNDS SERVICE

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J Rothschild Assurance PLC

J Rothschild House, Dollar Street, Cirencester
Telephone: 0285 640302 Helpline: 041-307 6500

Life Funds	Bid Price	Offer Price	+ or -	Yield Gross
Income Distribution	110.8	116.7	-0.30	-
JRA/M&G Managed	137.5	144.8	-0.20	-
JRA/Scottish Amicable Mngd	127.8	134.4	-0.50	-
[illegible]	149.6	158.7	-0.60	-
Deposit	102.7	108.2	+0.10	-
Far East	180.2	189.7	+0.80	-
Gilts	125.0	131.6	+0.19	-
Greater European	134.9	142.1	+0.30	-
North American	143.0	150.6	+0.10	-
UK Equity	129.7	136.6	-0.40	-

Royal Heritage Life Assurance Ltd

Peterborough Business Pk, PE2 6GG 0733 390000

Scottish Provident Group

6 St Andrew Sq, Edinburgh 031-556 9181

Scottish Provident Institution Funds

Life Funds	Bid Price	Offer Price	+ or -	Yield Gross
With-Profits	106.8	112.5	-	-
Managed	257.1	270.7	-1.2	-
Blue Chip	132.9	140.0	-0.9	-
Equity	268.2	282.4	-1.0	-
International	279.1	293.9	-2.6	-
Property	201.4	212.1	+0.1	-
Fixed Interest	222.8	234.7	+0.1	-
Index-linked	185.9	195.8	+0.1	-
Cash	181.7	191.4	+0.1	-
Money Market	119.8	126.0	+0.1	-
American Performance	181.0	190.7	+0.2	-
Europe Performance	120.3	126.6	-1.3	-
Far East Performance	126.1	132.8	-0.7	-
Worldwide Performance	142.0	149.5	-1.0	-

MANAGEMENT SERVICES

OFFSHORE INSURANCES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

IRELAND (REGULATED)(**)

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 0534 606000

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Intl Circuit Portfolio	6	[illegible]	1.3135	1.3827	[illegible]	[illegible]
Gilt	3	[illegible]	1.0599	1.0887	[illegible]	[illegible]

Prudential Fund Managers (Jersey) Ltd
PO Box 103, St Helier, Jersey 0534 76009
Prudential Currency Fd (formerly Vanbrugh Currency Fd)

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Income (A & B)	5	212.39	212.39	222.99	-0.1	0.32
Growth (C & D)	5	325.49	325.40	341.70	-0.1	–

For Royal Trust see Royal Bank of Canada

Royal Bank of Canada (Jsy) Fd Mgt Ltd
PO Box 194, St Helier, Jersey 0534 283404

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Bond Secs Fd	4	56.98	56.98	59.23	-0.01	7.43

Standard Bank Fund Mgmt (Jersey) Ltd
PO Box 583, St Helier, Jersey CI 0534 67557

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
International Bond	5		16.18	17.11	-0.04	3.10
Sterling Bond	3		10.25	10.61	[illegible]	[illegible]
Sterling Cap			43.34	43.35	[illegible]	4.30

TSB Trust Funds (CI)
PO Box 538, St Helier, Jersey 0534 503000
TSB Offshore Investment Fund Ltd

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Stg Deposit Class	3	101.98	101.98	105.92	+0.04	5.00
Gilt & Fixed Interest	3	128.05	128.05	132.52	+0.04	5.26
Blue Chip & Hi Inc	5	94.17	94.17	97.55	-0.38	3.49
International Bond	5	142.85	142.85	150.18	-0.51	3.82
UK Equity	5	274.71	282.52	297.20	+0.21	2.50
International Equity	5	212.11	215.05	227.06	-1.26	0.81
Far Eastern	5	208.23	212.08	223.26	+0.21	0.00
European	5	153.80	154.71	162.85	+0.60	0.00
Pan American	5	449.16	454.99	478.93	-2.25	0.00

TSB Gilt Fund Ltd

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Quarterly Share	3	112.93	112.93	116.84	+0.02	6.98
Monthly Share	3	111.43	111.43	115.09	+0.02	6.95

JERSEY (REGULATED)(**)

Barclays Intl Funds
Asian Selection Funds

[illegible]

Barclays Diversified Portfolio
14 rue Aldringen L-1118 352 4799 2809

[illegible]

Barclays Inv Funds (Luxembourg)
41 Avenue de la Gare L-1611 010 352 404344

[illegible]

CMI Asset Management (Luxembourg) SA
203 route d'Arlon, L-1150 Lux 010 352 439825

[illegible]

LUXEMBOURG (SIB RECOGNISED)

[illegible]

LUXEMBOURG (REGULATED)(**)

[illegible]

SWITZERLAND (SIB RECOGNISED)

[illegible]

OTHER OFFSHORE FUNDS

[illegible]

MANAGED FUNDS NOTES

[illegible]

CURRENCIES AND MONEY

CURRENCIES AND MONEY MARKETS

D-Mark firms on M3

The D-Mark firmed against the US dollar and most European currencies after the Deutsche Bundesbank's higher than expected M3 money supply numbers damped hopes for near-term monetary easing, *writes Conner Middelmann.*

M3 grew at a seasonally adjusted, annualized 6.8% in the year to the end of October, unchanged from the September rate and at the upper end of market forecasts. Some market participants had expected M3 to return into the Bundesbank's 4.5 to 6.5 per cent target range.

The monetary aggregate has missed its target all though this year, undershooting it in the first three months of 1994 - largely due to statistical distortions - and overshooting it every month since March.

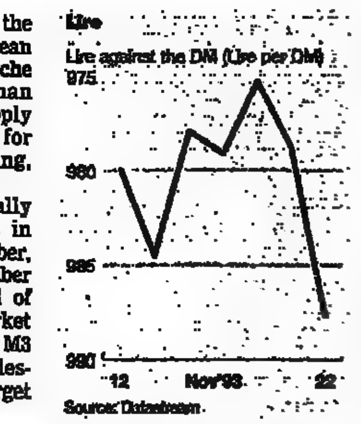
The data put a damper on rate-cut hopes and pressured the December three-month Euromark futures contract, which closed at its day's low of 93.87, down 0.06 point from Friday.

Nevertheless, the data prompted few analysts to revise their near-term interest-rate outlook. "The Bundesbank is so concerned about real growth in Germany they will continue easing," said Mr Klaus Baader, European economist with UBS in London, who expects the Bundesbank to cut its official discount and Lombard rates by another 50 basis points before the end of the year.

The Bundesbank's policy-making central bank council is scheduled to meet again on December 2 and 16.

In Germany the focus is now on November consumer price data, due to be released later this week. The year-on-year inflation rate expected to have eased to around 3.7 per cent from 3.9 per cent through mid-October.

In the German money market, the rate for call money rose as high as 6.45 per cent in early trading after monthly tax payments drained substantial liquidity. The Bundesbank was reported to injected emergency funds at 6.40 per cent via its so-called Paragraph 17 facility to ease the liquidity squeeze, pushing the call rate back down to around 6.40 per cent.



Source: Datastream

■ Pound in New York

Nov 22	—Latest—	— Prev. close —
£ spot	1.4760	1.4736
1 mth	1.4727	1.4703
3 mth	1.4684	1.4661
1 yr	1.4542	1.4528

● Trade in the US dollar was subdued ahead of today's national holiday in Japan and Thursday's Thanksgiving vacation in the US. It closed at DM1.7035, down from DM1.7150 late on Friday. In late London trading it slipped as low as DM1.6980. Many traders say the dollar may have to fall further before its next upwards move.

● The Italian Lire slumped following the crushing defeat of the Christian Democratic Party and its allies in Sunday's municipal elections. It dropped to a low of L988.80 against the D-Mark, but recovered slightly to close at L987.70, down from L979.0 on Friday.

According to Mr Julian Jessop, European economist with Midland Global Markets, it was "quite encouraging that the lira did not fall further towards L1000 to the D-Mark, given the focus on political uncertainty." This indicates that the currency is being supported by economic fundamentals, he said.

Moreover, most political scare stories are already built into the currency, and there is little pressure to take profits before the end of the year, Mr Jessop said. This contrasts with Italian government bonds, which slid nearly two points yesterday.

● The French franc eased slightly against the D-Mark following the German M3 data, which also damped hopes for any near-term rate cuts by the Bank of France. The French central bank left its intervention rate unchanged at 6.45 per cent at its latest repo operation, and is not expected to undertake any easing moves independently of the Bundesbank.

Disappointed easing hopes pressured the Pibor futures, with the December contract falling 0.11 point to 93.52 and the March contract sliding by 0.14 point to 94.29.

● In Spain, market participants will be eyeing today's seven- to-12-day repurchase tender by the Bank of Spain for a possible small cut in the 9.25 per cent benchmark rate, though some felt the currency's continuing weakness against the D-Mark would make that unlikely.

Over the weekend, Bank of Spain Governor Luis Angel Rojo said there was still room to cut Spanish interest rates, albeit moderately and slowly. Moreover, he argued it would be a mistake to stimulate the economy by loosening monetary policy without tightening fiscal policy or tackling the structural roots of high inflation.

The peseta ended at Pta80.70 against the D-Mark, barely changed from DM80.75 at Friday's close. But traders warn that Thursday's general strike in protest against the government's plans for a social pact may weigh on the currency, and one London trader said he saw scope for the Peseta to weaken to around Pta82 against the D-Mark by the end of the week.

● Sterling lost about a pfennig against the D-Mark after breaking technical support at DM2.5180. It closed at DM2.5130, down from DM2.5260 on Friday.

In the money market, the Bank of England forecast an early shortage of £1.5bn which was later revised to £1.65bn. After purchasing a total of £37m Band 1 and 2 bills at 5% in the morning, the Bank purchased another £1.092bn of bills in the afternoon and provided late assistance of around £550m.

The December short sterling futures contract fell 0.05 point to 94.58.

POUND SPOT FORWARD AGAINST THE POUND

[illegible]

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

[illegible]

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Nov 22		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£
Belgium	(BFr)	100	18.70	16.36	4.715	1.965	4667	5.287	20.61	480.9	[illegible]	23.02	4.131	1.878
Denmark	(DKr)	53.49	10	8.761	2.522	1.052	2491	2.828	10.97	257.2	203.5	12.31	2.210	1.004
France	(FFr)	61.06	11.41	10	2.879	1.200	2843	3.228	12.52	293.6	232.3	14.05	2.522	1.145
Germany	(DM)	21.21	3.965	3.474	1	0.417	987.7	1.121	4.351	102.0	80.70	4.882	0.876	0.398
Ireland	(I£)	50.86	9.509	8.330	2.398	1	2368	2.689	10.43	244.6	193.5	11.71	2.101	0.954
Italy	(L)	2.147	0.401	0.352	0.101	0.042	100.	0.114	0.440	10.33	8.171	0.494	0.089	0.040
Netherlands	(Fl)	18.91	3.536	3.098	0.892	0.372	880.8	1	[illegible]	[illegible]	71.97	4.353	0.781	0.355

[illegible]

WORLD INTEREST RATES

[illegible]

UK INTEREST RATES

[illegible]

BASE LENDING RATES

[illegible]

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

Guide to World Currencies

The FT Guide to World Currencies, previously published on Tuesdays, will in future be published on Mondays. In yesterday's paper, it appeared on page 25 in the UK and page 20 overseas. Readers who missed can obtain a copy by fax. To use this service, dial 0891-437 001 from your fax machine. When the FT fax service answers with an electronic tone, press the start button on your machine and hang up the handset. Calls are charged at 36p/minute cheap rate, 48p/minute at other times. The service is available in the UK only.

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Nov 22 / Sch)

BELGIUM/LUXEMBOURG (Nov 22 / Frs.)

DENMARK (Nov 22 / Kr)

FINLAND (Nov 22 / Mka)

FRANCE (Nov 22 / Frs.)

GERMANY (Nov 22 / Dm.)

ITALY (Nov 22 / Lire)

NETHERLANDS (Nov 22 / Fls.)

NORWAY (Nov 22 / Kroner)

SPAIN (Nov 22 / Pts.)

SWEDEN (Nov 22 / Kronor)

SWITZERLAND (Nov 22 / Frs.)

PACIFIC

JAPAN (Nov 22 / Yen)

HONG KONG (Nov 22 / H.K.$)

MALAYSIA (Nov 22 / MYR)

SINGAPORE (Nov 22 / S$)

AUSTRALIA (Nov 22 / Aust$)

NORTH AMERICA

CANADA

TORONTO (Nov 22 / Can $)
4 pm close

MONTREAL (Nov 22 / Can $)
4 pm close

AFRICA

SOUTH AFRICA (Nov 22 / Rand)

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. [illegible] Unavailable. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Monday, November 22, 1993

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Nippon Steel	5.7m	317	-12	Hitachi	2.6m	790	-12
NKK	3.1m	230	-18	S'tomo Mt Mn	2.2m	801	-19
Kawasaki Steel	2.8m	313	-7	Daiwa Sec	2.2m	1,220	-60
Fujitsu	2.7m	776	-20	Hitachi Zosen	2.1m	499	-21
Mitsubishi Hvy	2.7m	629	-15	Sankyo	2.0m	2,420	-230

INDICES

	Nov 22	Nov 19	Nov 18	1993 High		1993 Low	
Argentina							
General (29/12/77)	(u)	17959.4	18285.5	19887.80	22/10	17859.40	22/11
Australia							
All Ordinaries(1/1/80)	2049.3	2083.2	2108.0	2132.40	1/11	1495.00	13/1
All Mining(1/1/80)	881.8	886.2	885.1	904.60	2/8	594.70	13/1
Austria							
Credit Aktien(30/12/84)	414.27	417.49	418.49	424.89	2/11	390.25	14/1
Traded Index(2/1/91)	1059.99	1077.77	1078.44	1094.43	2/11	712.88	15/1
Belgium							
BEL20 (1/1/87)	1376.75	1405.80	1408.83	1409.80	18/11	1125.46	4/1
Brazil							
Bovespa (29/12/83)	(u)	24880.0	25128.0	27309.80	28/6	714.72	4/1
Canada							
Metals Minls♦(1975)	(u)	3281.65	3241.32	3281.86	19/11	2743.31	21/1
Composite♦ (1975)	(u)	4238.20	4234.70	4282.80	12/11	3275.80	21/1
Portfolio§§ (4/1/83)	(u)	2020.86	2011.14	2027.48	11/11	1720.87	21/1
Chile							
IPGA Gen (31/12/80)	(u)	3340.3	3328.05	3340.30	22/11	2912.80	10/5
Denmark							
CopenhagenSE(3/1/83)	350.23	351.96	352.36	358.14	4/11	281.99	4/1
Finland							
HEX General(28/12/90)	1537.0	1555.9	1572.9	1607.70	3/11	849.10	22/1
France							
CAC General(31/12/81)	590.70	599.37	602.16	609.72	26/10	471.24	13/1
CAC 40(31/12/87)	2082.81	2145.23	2148.67	2231.86	22/10	1772.21	29/1
Germany							
FAZ Aktien(31/12/58)	788.16	798.94	803.81	803.81	18/11	599.82	14/1
Commerzbank(1/12/53)	2251.7	2282.80	2299.0	2380.40	3/11	1894.30	14/1
DAX (30/12/87)	2030.00	2077.37	2085.34	2095.82	2/11	1516.50	13/1
Greece							
Athens SE(31/12/80)	862.22	848.63	843.55	944.44	13/8	697.72	5/1
Hong Kong							
Hang Seng(31/7/64)	9170.64	9283.94	9335.43	9733.34	15/11	5437.80	4/1
India							
BSE Sens.(1979)	3043.5	2972.8	2934.6	3043.50	22/11	2100.67	23/4
Indonesia							
Jakarta Comp.(10/8/82)	536.46	535.11	535.25	536.46	22/11	273.31	5/1
Ireland							
ISEQ Overall(4/1/88)	1789.17	1805.30	1823.83	1849.27	3/11	1191.19	11/1
Italy							
Banca Comm Ital (1972)	526.56	544.31	548.05	632.86	30/8	446.33	6/1
MIB General (4/1/93)	1182.0	1201.0	1208.0	1368.00	30/8	992.09	11/1
Japan							
Nikkei 225 (16/5/49)	17384.84	17942.19	18168.32	21148.11	13/9	16287.45	25/1
Nikkei 300 (1/10/82)	277.56	285.20	287.82	308.04	10/11	277.56	22/11
Topix (4/1/68)	1493.63	1539.59	1551.32	1698.67	3/9	1259.86	25/1
2nd Section (4/1/68)	1955.67	1989.07	1998.86	2384.97	7/6	1851.72	28/1
Malaysia							
KLSE Comp.(4/4/86)	989.40	984.92	956.57	989.40	22/11	614.28	13/1
Mexico							
IPC (Nov 1978)	(u)	2185.66	2166.15	2185.66	19/11	1504.18	25/2
Netherland							
CBS TtlRtnGen(End 83)	401.3	408.2	410.1	419.30	4/11	285.70	4/1
CBS All Shr (End 83)	280.1	284.6	285.8	272.00	4/11	198.80	13/1
New Zealand							
Cap. 40 (1/7/86)	2073.32	2097.22	2114.42	2200.59	2/11	1468.37	21/1
Norway							
Oslo SE(Ind)(2/1/83)	1009.91	1028.10	1036.73	1036.73	18/11	669.90	27/1
Philippines							
Manila Comp (2/1/85)	2418.13	2402.90	2404.18	2487.59	3/11	1270.88	4/1
Portugal							
BTA (1977)	2580.1	2577.9	2584.2	2589.06	9/9	1609.20	14/1
Singapore							
SES All-S'pore(2/4/75)	548.65	547.85	544.50	594.35	1/11	394.10	13/1
South Africa							
JSE Gold (28/9/78)	1872.0♥	1928.0	1921.0	2088.80	30/7	775.00	5/1
JSE Ind. (28/9/78)	4884.0♥	4901.0	4855.0	4901.00	22/11	4333.00	19/4
South Korea							
KoreaCmpEx(4/1/80)**	834.56	840.36	822.63	840.36	19/11	605.98	6/3
Spain							
Madrid SE (30/12/85)	299.80	304.53	306.16	316.38	22/10	215.69	4/1
Sweden							
AffarsvarldsGen (1/2/37)	1328.10	1360.4	1388.6	1438.10	4/11	878.18	28/1
Switzerland							
Swiss Bk Ind (31/12/58)	1172.27	1185.58	1184.95	1185.58	19/11	804.80	11/1
SBC General (1/4/87)	928.17	937.64	935.76	937.64	19/11	678.70	11/1
Taiwan							
WeightedPr.(30/6/66)**	4216.94	4226.32	4316.21	5013.38	7/4	3098.43	9/1
Thailand							
Bangkok SET (30/4/75)	1310.13	1368.81	1371.72	1380.84	12/11	818.84	1/6
Turkey							
Istanbul Cmp.(Jan 1986)	16727.1	18531.2	16091.4	18727.18	22/11	3955.53	1/1
WORLD							
MS Capital Int (1/1/70)§	581.6*	580.6	585.4	607.10	15/10	499.80	13/1
CROSS-BORDER							
Eurotrack 100(26/10/90)	1331.12	1360.53	1367.52	1388.18	22/10	1063.02	13/1
Euro Top-100 (26/6/90)	1121.54	1145.36	1158.23	1175.45	22/10	882.73	13/1
JCapalDrgrs (31/12/88)	(u)	308.15	308.39	316.71	12/11	188.82	4/1
Barings Emerg.(7/1/92)	143.83	144.70	144.54	144.70	19/11	99.81	4/2

** Sat Nov 20: Taiwan Weighted Price 4347.09; Korea Comp Ex 846.47; Base values of all indices are 100 except Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 20 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ♥ Subject to official recalculation.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Nov	2137.0	2092.0	-69.0	2139.5	2091.0	849	30,795
Dec	2148.0	2105.5	-68.5	2149.0	2105.0	32	38,814
Jan	2159.0	2116.5	-68.5	2160.0	2137.0	-	251
Mar	2160.0	2138.0	-69.0	2160.0	2160.0	-	13,872

Open interest figures for previous day.

US INDICES

Dow Jones	Nov 19	Nov 18	Nov 17	1993 High	1993 Low	Since compilation High	Since compilation Low
Industrials	3694.01	3685.34	3704.35	3710.77 (16/11)	3241.95 (20/1)	3710.77 (16/11/93)	41.22 (2/7/32)
Home Bonds	108.81	109.01	108.93	109.77 (18/10)	103.49 (11/1)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1727.29	1733.06	1731.99	1759.98 (16/11)	1453.84 (4/1)	1759.98 (16/11/93)	12.32 (8/7/32)
Utilities	223.64	225.15	225.02	256.46 (31/8)	217.14 (8/1)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3711.05 (3721.95) Low 3640.07 (3649.57) (Theoretical♦)
Day's high 3694.01 (3704.35) Low 3657.12 (3668.02) (Actual♦)

Standard and Poors	Nov 19	Nov 18	Nov 17	1993 High	1993 Low	Since compilation High	Since compilation Low
Composite ‡	462.60	463.62	464.81	469.50 (15/10)	429.05 (8/1)	469.50 (15/10/93)	4.40 (1/6/32)
Industrials♥	537.05	537.68	538.95	540.25 (16/11)	496.48 (26/4)	540.25 (16/11/93)	3.62 (21/6/32)
Financial	42.96	43.16	43.33	48.40 (28/9)	38.88 (8/1)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	255.53	256.20	256.81	260.48 (15/10)	236.21 (8/1)	260.48 (15/10/93)	4.46 (25/4/42)
Amex Mkt Val	467.96	469.54	472.54	484.28 (2/11)	395.84 (8/1)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	751.56	754.34	762.36	787.42 (15/10)	645.87 (26/4)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Nov 19	Nov 12	Nov 5	Year ago
Dow Jones Ind. Div. Yield	2.71	2.80	2.77	3.19
	Nov 17	Nov 10	Nov 3	Year ago
S & P Ind. Div. yield	2.38	2.40	2.41	2.65
S & P Ind. P/E ratio	28.88	28.69	28.61	27.72

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Close	Change	High	Low	Est. vol.	Open int.
Dec	461.60	460.15	-1.35	461.60	459.55	60,793	189,985
Mar	-	462.60	-1.85	-	-	1,251	12,079
Jun	-	463.85	-1.85	-	-	84	1,972
Sep	-	464.75	-2.05	-	-	1	439

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Close price	Change on day
Talbots	6,828,300	22⅜	–
Merck	5,987,200	35	+⅜
Tiphook	5,174,400	2⅞	+1¼
Telefonos	3,892,400	56⅝	–
Paramount	4,515,000	76	-1
Gen Motors	3,805,800	54⅝	-½
Am T&T	3,210,000	58⅝	+⅛
Wal-Mart	3,005,000	29⅛	-⅛
Bang Ball	2,896,300	19	–
Amer Barrick	2,532,700	27⅞	+¼

■ TRADING ACTIVITY

Volume (million)	Nov 19	Nov 18	Nov 17
New York SE	283.068	273.150	311.277
Amex	18.031	15.223	20.057
NASDAQ	319.113	372.059	359.613
NYSE			
Issues Traded	2,690	2,671	2,684
Rises	793	780	770
Falls	1,324	1,257	1,302
Unchanged	573	624	612
New Highs	29	36	64
New Lows	72	62	57

● Correction. * Calculated at 15.00 GMT. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's).

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993 High	1993 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
14⅝	11½	AAR	0.48	3.6	682	128	13¼	13⅛	13¼	
29⅞	13½	A L Labs A	0.18	1.3	32	502	14	13⅞	13⅞	-⅛
67¼	54⅝	AMP	1.60	2.8	20	2637	59	57¾	58⅛	-⅞
72¾	55½	AMR			53	5581	69⅛	67½	68⅛	-⅞
3⅞	1¾	ARX			12	481	3⅛	3	3⅛	-⅛
51½	29⅞	ASA x	2.00	4.1	32	863	49½	48⅝	48⅝	-½
30¼	22⅝	Abbot L	0.68	2.4	17	10385	29	28⅜	28½	-½
12⅝	8¼	Abitibi Pr	0.50	4.7	8	48	10⅝	10½	10⅝	
15⅝	8¼	Acptncein			20	104	12⅞	12¼	12¼	-¼
36	25½	ACE Ltd	0.92	3.1	5	244	30	29⅝	29⅝	-⅞
12	10¾	ACM Gvt In	1.09	9.1		595	u12	11⅞	12	+⅛
10⅛	9⅛	ACM GvOpp	0.80	8.4		51	9⅝	9½	9½	-⅛
10⅛	8¾	ACM Gvt Sp	0.96	9.7		579	10	9⅞	9⅞	
11⅝	10½	ACM Gvt Se	0.96	8.3		648	u11⅝	11⅜	11½	-⅛
11⅞	9⅝	ACM Man	1.08	9.3		177	u11⅞	11⅝	11⅝	-¼
9⅝	8⅝	ACM Managd	0.72	7.9		208	9¼	9⅛	9⅛	
12⅝	7⅛	AcmeClv	0.44	4.6	12	92	9⅞	9⅝	9⅝	-¼
11⅜	6⅜	Acme Elect			38	5	8⅜	8⅜	8⅜	-¼
27⅝	18⅜	Acordia	0.44	2.1	12	137	21¼	21	21¼	-⅛
16	10⅜	Acuson			62	290	14⅛	13⅝	13¾	-½
21½	17⅞	Adams Expr	0.49	2.8	0	250	18⅛	d17⅝	17¾	-⅜
66¼	45½	Ad Micro	3.00	6.2		53	48½	47½	48¼	-½
32⅝	17⅝	AdvMic	3.00	16.4	6	8859	18⅝	17⅞	18¼	-¼
8⅛	5½	Advest Grp	0.16	2.3	12	48	7	6⅞	7	-⅛
24¾	14¼	Advo Inc	0.08	0.5	74	787	15⅝	15½	15⅝	-¼
51¾	41⅛	Aegon ADR	1.23	2.5	10	53	49⅝	49	49¼	-¾
66¼	43⅞	Aetna L	2.76	4.7	25	1410	59¼	58¾	59¼	+⅛
34	25¾	Aflac	0.40	1.5	12	3852	26	d24¾	26	-¼
22⅛	16¾	Ahmnsn	0.88	5.0	7	1389	17⅞	17⅜	17⅝	
7¾	3⅝	Aileen Inc			6	59	5⅜	5⅛	5⅛	-⅛
49½	37½	AirPrC	0.92	2.1	24	1503	43⅝	43⅛	43⅞	
33	16⅛	Airbrne Frt	0.30	1.0	25	2010	32	31	31¼	-1
50⅞	18¼	Airgas Inc			42	192	44	42⅞	42⅞	-⅞
16	10½	Airlease	1.72	10.8	12	64	u16⅛	16	16	
105½	101	AlaPw$.16	8.16	7.8		2	104¾	104¾	104¾	
107	102½	Alab 8.28C	7.28	7.1		z30	102⅞	102⅞	102⅞	
18	12¼	Alaska Air	0.20	1.2	3	187	16⅜	16	16	-¼
19¼	14¼	Albany Int	0.35	1.9	45	33	18⅝	18	18	-⅝
28¾	20⅛	AlbCulB	0.26	1.2	14	106	21½	20½	21½	+1
25¼	17	AlCulvr A	0.26	1.4	13	66	18⅝	18⅜	18½	+⅛
29¾	23⅞	Alcan	0.36	1.5	19	5338	24⅝	24	24⅛	-½
27⅝	16⅞	AlcnAl x	0.30	1.4	32	9443	21½	20⅞	21⅜	+⅜
50⅝	35¾	AlcoSt	1.00	2.1	175	348	47⅝	46⅝	47	+¼
30½	19⅝	AlexBrown	0.60	2.5	5	1209	24¼	23⅝	23¾	-⅜
28⅞	18¾	AlexAl	1.00	5.5	33	302	18⅞	d18	18¼	-⅛
24¾	17	Allegh Lud	0.48	2.3	21	443	21⅞	21	21⅛	-⅛
28½	23½	AllegP	1.64	6.3	13	488	26⅛	25½	26	+¼

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NYSE COMPOSITE PRICES

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NASDAQ NATIONAL MARKET

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Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ABS Inds	0.20	20	9	13	13	13	
ACC Corp	0.12	58	530	$20\frac{1}{2}$	$18\frac{3}{4}$	$19\frac{1}{4}$	$-\frac{3}{4}$
Acclaim E		34	14430	$23\frac{5}{8}$	$21\frac{1}{2}$	$21\frac{3}{4}$	-2
Acme Mets		24	7	15	$14\frac{1}{2}$	$14\frac{1}{2}$	$-\frac{3}{4}$
Acxiom Cp		32	40	$20\frac{3}{4}$	20	$20\frac{3}{4}$	$+\frac{1}{2}$
Adaptech		16	6365	35	$33\frac{1}{8}$	$33\frac{1}{4}$	$-1\frac{3}{4}$
ADC Tele		22	3649	33	31	31	$-1\frac{7}{8}$
Addington		94	433	$16\frac{1}{2}$	16	16	-1
Adia Serv	0.16	14	4	21	21	21	
Adobe Sys	0.20	18	7643	$20\frac{1}{2}$	20	$20\frac{1}{2}$	
Advance C		9	256	$12\frac{1}{8}$	$11\frac{1}{2}$	$11\frac{3}{4}$	$-\frac{1}{8}$
Adv Logic		3	51	$3\frac{1}{2}$	$3\frac{1}{8}$	$3\frac{3}{8}$	$-\frac{1}{8}$
Adv Polym		7	645	$5\frac{1}{2}$	d$5\frac{1}{8}$	$5\frac{1}{8}$	$-\frac{3}{8}$
AdvTchLab		49	551	$17\frac{1}{2}$	17	17	$-\frac{1}{4}$
Advanta	0.17	16	4038	$35\frac{3}{4}$	$33\frac{1}{4}$	$33\frac{1}{2}$	$-1\frac{3}{4}$
Affymax		12	463	$16\frac{1}{2}$	$15\frac{3}{4}$	$15\frac{3}{4}$	$-\frac{3}{4}$
Agency Re		18	392	$10\frac{7}{8}$	$10\frac{1}{2}$	$10\frac{3}{4}$	$-\frac{1}{8}$
AgnicoEa	0.10	155	1566	$14\frac{3}{4}$	14	14	$-\frac{3}{4}$
Akzo ADR	0.78	16	667	$45\frac{5}{8}$	$45\frac{1}{4}$	$45\frac{3}{8}$	
Aldus Cp		41	639	21	20	21	$+\frac{1}{4}$
AlxBld	0.88	17	634	$25\frac{1}{4}$	$24\frac{1}{2}$	$24\frac{1}{2}$	$-\frac{3}{4}$
Allegh &W		15	37	7	$6\frac{3}{4}$	$6\frac{7}{8}$	
Allen Org	0.50	13	5	$32\frac{1}{4}$	$31\frac{1}{2}$	$32\frac{1}{4}$	$-\frac{1}{4}$
Alran Fn		5	404	$8\frac{1}{2}$	8	$8\frac{1}{2}$	
AlldCapll	1.00	13	112	$15\frac{1}{4}$	$14\frac{1}{2}$	$14\frac{1}{2}$	$-\frac{1}{2}$
Alld Cap	0.80	11	100	13	$12\frac{1}{2}$	$12\frac{1}{2}$	$-\frac{1}{2}$
Aloette C	0.32	475	56	5	d$4\frac{3}{4}$	$4\frac{3}{4}$	
Alta Gold	0.06	3	374	$1\frac{7}{16}$	$1\frac{3}{8}$	$1\frac{3}{8}$	$-\frac{1}{16}$
Altera Co		31	4655	$24\frac{3}{8}$	$23\frac{5}{8}$	$24\frac{1}{8}$	$-\frac{3}{8}$
Am Banker	0.68	9	377	$25\frac{5}{8}$	$25\frac{1}{4}$	$25\frac{5}{8}$	$+\frac{1}{8}$
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Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
DauphinDp	0.92	11	187	23	d$22\frac{1}{2}$	23	$+\frac{1}{4}$
Deb Shops	0.20	17	49	$6\frac{1}{2}$	$6\frac{1}{4}$	$6\frac{1}{4}$	$-\frac{1}{4}$
Dekalb En	0.22	25	35	$16\frac{1}{2}$	$16\frac{1}{4}$	$16\frac{1}{4}$	$-\frac{1}{4}$
Dekalb Ge	0.80	52	177	32	$29\frac{3}{4}$	$30\frac{3}{4}$	$-\frac{1}{4}$
Delchamps	0.44	11	478	23	$22\frac{3}{4}$	$22\frac{7}{8}$	$+\frac{1}{8}$
Dell Comp		78	17225	$22\frac{1}{4}$	$21\frac{1}{4}$	$22\frac{1}{4}$	$-1\frac{1}{2}$
DentalSm	0.16	20	2585	17	$16\frac{1}{4}$	$16\frac{1}{2}$	$-\frac{1}{4}$
Dep Gty	1.00	7	697	$27\frac{1}{2}$	27	$27\frac{1}{2}$	
Devcon	0.20	3	150	$6\frac{3}{4}$	$6\frac{1}{4}$	$6\frac{1}{4}$	
DH Tech		12	275	$15\frac{3}{4}$	15	15	$-\frac{3}{4}$
Dibrell B	0.72	10	225	26	$25\frac{1}{4}$	26	$+\frac{1}{4}$
Digi Intl		18	4106	$19\frac{1}{4}$	18	$18\frac{1}{4}$	-1
Dig Micro		74	3263	$24\frac{1}{2}$	$22\frac{1}{4}$	$22\frac{1}{4}$	-2
Dig Sound		4	623	$1\frac{3}{8}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$-\frac{1}{8}$
Dig Syst		8	105	$3\frac{7}{8}$	$3\frac{5}{8}$	$3\frac{5}{8}$	$-\frac{1}{4}$
Dionex Cp		15	536	32	d$30\frac{3}{4}$	$30\frac{7}{8}$	$-\frac{7}{8}$
Dixie Ym	0.20	16	465	$9\frac{1}{2}$	d9	$9\frac{1}{2}$	
DNA Plant		5	424	6	$5\frac{5}{8}$	$5\frac{3}{4}$	$-\frac{1}{8}$
Dollar Gn	0.20	24	1020	$25\frac{1}{4}$	$24\frac{1}{4}$	$24\frac{1}{2}$	$-\frac{5}{8}$
Dom Bkshs	0.44	55	961	u$27\frac{1}{4}$	$26\frac{7}{8}$	27	
Dorch Htn	0.68	21	217	16	$15\frac{1}{4}$	16	$+\frac{1}{4}$
DrexlEngy		10	6125	$17\frac{1}{4}$	$12\frac{1}{2}$	$12\frac{1}{2}$	$-5\frac{1}{4}$
DressBarn		14	759	$12\frac{3}{4}$	$12\frac{1}{2}$	$12\frac{3}{4}$	$+\frac{1}{4}$
Drey GD	0.24	24	2015	$29\frac{1}{2}$	$28\frac{3}{4}$	29	$-\frac{1}{4}$
Drug Empo	0.08	60	433	$4\frac{7}{8}$	$4\frac{3}{4}$	$4\frac{3}{4}$	$-\frac{1}{16}$
DS Bancor	1.09	9	216	$17\frac{3}{4}$	$16\frac{3}{4}$	$17\frac{1}{4}$	$+\frac{1}{2}$
Dunron	0.60	26	142	$23\frac{1}{2}$	$22\frac{3}{4}$	$22\frac{3}{4}$	$-\frac{3}{4}$
Durr Fill	0.33	24	8	u$33\frac{1}{8}$	$32\frac{3}{4}$	$32\frac{3}{4}$	
DynastyCl		0	5	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	
Dynatech		12	24	$24\frac{1}{2}$	$23\frac{3}{4}$	$23\frac{3}{4}$	$-\frac{3}{4}$

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AMEX COMPOSITE PRICES

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Price data supplied by Telekurs

AMERICA

Dow falls on fears of global correction

Wall Street

Losses on overseas equity markets and concern about rising long-term interest rates pushed US share prices sharply lower yesterday morning, *writes Patrick Harverson in New York.*

At 1 pm, the Dow Jones Industrial Average was down 29.90 at 3,664.11. The more broadly based Standard & Poor's 500 was 4.18 lower at 458.42, while the Amex composite was down 5.17 at 462.81, and the Nasdaq composite down 10.83 at 740.73. Trading volume on the NYSE was 156m shares by 1 pm.

Prices opened lower in the wake of heavy losses incurred on foreign markets, notably Tokyo, where the leading index fell 3.1 per cent as investors expressed fresh concerns about the outlook for the Japanese economy. The selling overseas raised fears that a major correction in worldwide equity markets, many of which look overvalued by historical standards, may be under way, or imminent.

On the domestic front, US investors remained troubled by rising long-term interest rates. After posting a huge loss on Friday, the benchmark 30-year government bond fell again yesterday, although only slightly. The yield on the bond, however, rose to 6.34 per cent, it's highest level in three months.

The deepening concern about interest rates, mingled with profit-taking in the wake of recent gains, and the growing feeling that share prices have risen too far, contributed to yesterday's selling. At one stage the Dow was down 44 points, but it bounced back from its lows after midday. The Nasdaq composite, however, kept on falling. Secondary stocks have taken a hammering recently, primarily because they had been the beneficiary of a lot of speculative buying over the summer and early autumn.

Among individual issues, General Motors fell $1 to $53¼ amid profit-taking in a stock that has had a strong run recently. The shares were also hit by the announcement that the company is voluntarily recalling about 13,000 Buick Regal models for safety reasons. The rest of the auto sector was also sharply lower. Ford dropped $1⅝ to $60¼, and Chrsyler gave up $1⅛ at $52⅝.

Merck ran into heavy selling, falling $1⅛ to $33⅝ in volume of 3m shares in spite of a ratings upgrade from broking house Smith Barney Shearson.

Selected technology stocks posted big declines, with Hewlett-Packard down $2 at $72, Motorola off $2 at $94, and Digital Equipment $⅜ lower at $35⅞.

Other big stocks in the sector, however, were in good form, with Texas Instruments up $1 at $60⅜ and IBM up $⅛ at $52¼.

Cyclical stocks were also mixed. Aluminum Company of America rose $2⅝ to $72⅝, but Minnesota Mining & Manufacturing gave up $2¼ at $108⅛.

On the Nasdaq market, Microsoft fell $1⅞ to $78⅝ but Intel added $1⅛ at $58.

Canada

Toronto weakened further at midday in lacklustre trading, with losses in communications and media, industrial products, and consumer products overcoming gains in precious metals.

The TSE 300 index sank 29.32 to 4,208.85 at noon in volume of 36.5m shares.

Declining issues easily outpaced advances 419 to 206 with 309 stocks unchanged. Of Toronto's 14 sub-sectors, 11 weakened.

SOUTH AFRICA

Gold shares maintained their early strength and the index rose 44 or 2.3 per cent to 1,972. However, industrials retreated amid weakness on world markets, off 17 at 4,884 and the overall added 14 to 4,253. De Beers rose 75 cents to R84.

Elsewhere Remgro lost 85 cents to R29.75 and Richemont lost a R1 to R38.75.

Vaal Reefs was R6.50 firmer at R399.

EUROPE

German data is trigger for widespread selling

A wave of selling swept across continental European bourses yesterday, *writes Our Markets Staff.*

Mr James Cornish at NatWest Securities said that while German M3 data had been disappointing – 6.8 per cent against forecasts of 6.6 per cent – reducing the likelihood for further imminent rate cuts, continental markets had performed strongly in recent weeks, a period of consolidation was likely and one could not rule out a rebound before the year end.

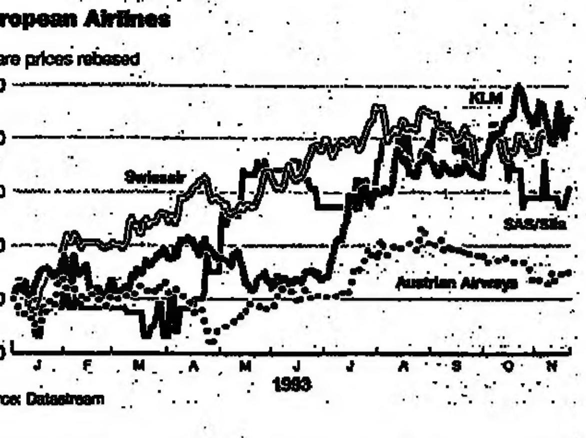
Mr Albert Edwards, strategist at Kleinwort Benson, commented that there was a movement by some institutions back into cash. The markets that looked vulnerable to a downside, he added, were Germany in Europe and Hong Kong in Asia.

Failure of the Alcazar talks between four airlines – KLM, Swissair, SAS and Austrian – was another of the day's talking points.

KLM, according to Lehman Brothers, may have walked away from any possible deal at the last moment because of changed and improved trading conditions since the talks were initiated at the start of the year. Lehman's commented that Delta was too great a competitor on the lucrative transatlantic routes to have been acceptable to the Dutch carrier, which has made great passenger gains in that area.

European Airlines

Share prices rebased



Source: Datastream

Mr Raphael Hausmann of Swiss Bank in Basle was surprised that Swissair shares had not fallen further. However, he believed this indicated that investors expected Swissair to resume a search for long-term strategic alliances with other carriers.

Mr Frank Jonuschat at Kleinwort Benson commented that the Alcazar alliance would have been ideal for the cash-strapped airline, not least because of the links it would have provided with an American carrier. He said that Austrian needed to find a partner and suggested that the weekend's developments might prompt it to listen more carefully to overtures that had been coming from Lufthansa.

KLM lost Fl 3.30 to Fl 37.20, Swissair SFr37 to SFr723, SAS/Sila B shares SKr4 to SKr37 while Austrian rose Sch5 to Sch1,740.

MILAN fell 3.3 per cent, the political outlook clouded by the strong performance of the left and right at the expense of the centrist traditional parties in local elections at the weekend. The Comit index shed 17.75 to 526.56.

Mr Nicolo Braendli of Akros Sim in Milan was not surprised that the results had weakened the resolve of foreign investors. However selling pressure by domestic institutions was another matter, since the outcome "was not so different from what we could have expected," he said.

Morgan Stanley responded by further reducing the Italian weighting in its equity-only European model portfolio from 3.4 per cent to 2 per cent, against a benchmark 4.4 per cent.

Mr David Roche and Mr Richard Davidson commented that their expectations for the market had been based on hopes that meaningful reform would lead to a stronger lira which would lead to lower interest rates and a reduced budget deficit: more Italian and foreign investors would then buy bonds and equities, pushing the lira up further.

"The major caveat in this investment thesis was that reform could be stalled if there was no formation of a political centre and if politics fragmented on a regional basis," they said. "That risk had already led us to go underweight in Italy. Now the fragmentation exhibited in these municipal election results must be a further cause of concern for investors."

The telecommunications issues, popular with foreigners, were hard hit. Stet shed L238 or 6.5 per cent to L3,428 and Sip was L181 or 5.8 per cent lower at L2,961.

FRANKFURT closed sharply down, the DAX index losing 47.37 or 2.3 per cent to 2,030,00, as analysts commented that sentiment was depressed by some disappointing corporate news and growth in M3 data.

BASF lost DM6.50 at DM265.40, after news of a 44 per cent drop in nine-month pre-tax profits and the possibility of a reduced dividend payment. Daimler, down DM20.7 to DM696.7, was hit by reports, subsequently denied, that Kuwait might sell its stake.

PARIS was beset by technical difficulties that shortened the trading session. The CAC-40 index fell 62.62 or 2.9 per cent to 2,082.61 in turnover of some FFr3.5bn.

Euro Disney closed down FFr1.50 at FFr35.20 on further negative press reports.

ZURICH finished near its lows for the day as profits were taken in some of the stocks that have seen strong demand in recent weeks. The SMI index shed 37.4 or 1.4 per cent to 2,696.5.

AMSTERDAM witnessed a generally poor performance as the CBS Tendency index fell 3.6 or 2.6 per cent to 133.6. Hoogovens gave up Fl 2.50 to Fl 42.50 after saying that it was to make a Fl 373.5m new share issue, while the government's stake would rise to 17 per cent from 12.3 per cent.

FT-SE Actuaries Share Indices — THE EUROPEAN SERIES

Nov. 22 Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1348.78	1344.20	1342.80	1339.49	1335.68	1333.89	1333.27	1331.12
FT-SE Eurotrack 200	1410.28	1406.73	1405.57	1403.99	1401.74	1400.48	1398.97	1396.17

	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15
FT-SE Eurotrack 100	1360.63	1367.52	1363.56	1353.29	1347.91
FT-SE Eurotrack 200	1420.27	1427.81	1423.11	1416.29	1413.86

Base value 1000 (26/10/90) Highday: 100 - 1348.18; 200 - 1410.28 Lowday: 100 - 1330.82 200 - 1396.17

Written and edited by John Pitt and Michael Morgan.

ASIA PACIFIC

Nikkei average tumbles 3% on economic worries

Tokyo

Mounting pessimism over the economy pulled down the futures market, prompting index-linked arbitrage selling which left the Nikkei average down 3.1 per cent, *writes Emiko Terazono in Tokyo.*

The Nikkei lost 556.35 to 17,384.84, while the Topix index of all first section stocks dropped 45.76, or 3 per cent to 1,493.83, its first fall below 1,500 since April 1. In London the ISE/Nikkei 50 index fell 1.70 to 1,208.42.

The index opened at a day's high of 17,905.59 and fell to a low of 17,254.53 just before the close. Arbitrage-linked selling from dealers, margin unwinding by individuals and futures selling by institutional investors weighed on share prices throughout the day.

Volume totaled 287.5m shares against 263m. Share prices lost ground across the board, with declines overwhelming advances by 1,049 to 42, with 49 issues unchanged.

Investors were discouraged by the failure of Mr Morihiro Hosokawa to give details of an anticipated income tax cut. Officials also did little to help sentiment by denying the possibility of stock market support by the government.

The financial failure of TSD, a software development company listed on the over-the-counter market, also sent jitters through the market. Teikoku Data Bank, a private credit research agency, said TSD filed for voluntary bankruptcy with liabilities totaling Y8.5bn. Mr Keith Donaldson, strategist at Salomon Brothers, said the psychological support level for the Nikkei was around 17,000, but added that share prices were in the bottom of their range.

East Japan Railway plunged Y16,000, or 3.5 per cent, to Y440,000 while Nippon Telegraph and Telephone declined Y20,000 to Y745,000.

Daishowa Paper, the scandal ridden paper company, was one of the few bright spots of the day, rising Y100 to Y1,160. The issue had previously met heavy selling after recent reports of the chairman's alleged involvement in a bribery scandal.

In Osaka, the OSE average fell 718.29 to 19,481.45 in volume of 16.6m shares.

Roundup

There were suggestions that overseas investors were switching their portfolios out of the region.

HONG KONG fell back on a weak futures market. The Hang Seng index closed down 93.30 at 9,170.64. Turnover was HK$5.3bn.

On the futures market the November Hang Seng contract lost 200 to 9,085, while December contracts lost 185 to 9,095.

SINGAPORE was slightly firmer, with the Straits Times Industrials index ending up 4.09 at 2,096.72.

Turnover was S$546.8m.

SEOUL was lower on profit-taking: the composite index shed 11.89 to 834.58. Sammi Steel went limit-up by gaining Won400 to Won8,680 on hopes that its US and Canadian plants will gain from Nafta.

TAIWAN fell back in active trading ahead of Saturday's local government elections. The weighted index shed 30.15 to 4,216.94 in turnover of T$25.5bn.

MANILA was boosted by a new commercial issue, but late profit-taking brought prices off the day's peaks. The composite index rose 15.23 to 2,418.13.

KUALA LUMPUR saw Tenaga Nasional continuing to attract institutional demand on its inclusion in Morgan Stanley's Global Index from December 2. The shares rose 70 cents to M$15.90, off a high of M$16.30. The composite index gained 4.40 to 989.40.

AUSTRALIA was driven lower by aggressive futures selling. The All Ordinaries index lost 33.9 or 1.6 per cent to 2,049.3. Turnover was A$328.4m. News Corp fell 37 cents to A$9.83and BHP 42 cents at A$17.04.

NEW ZEALAND again dropped back as the market awaited the formation of the new cabinet. The NZSE-40 capital index fell 23.9 to 2,073.32 in turnover of NZ$33m. Telecom lost 12 cents to NZ$4.15.

BOMBAY rose above the 3,000-level to reach a record high for the year. The BSE 30-index closed up 61.74 at 3,034.60.

BANGKOK retreated steadily during the session on reports that foreign investors were taking profits. The SET index fell 56.78 to 1,310.13 in turnover of Bt14.6bn.

Ericsson puts brake on Stockholm

MARKETS IN PERSPECTIVE

	% change in local currency † 1 Week	4 Weeks	1 Year	Start of 1993	% change sterling † Start of 1993	% change in US $ † Start of 1993
Austria	+2.24	-0.54	+32.13	+31.98	+27.86	+24.32
Belgium	+1.97	+2.16	+25.21	+25.71	+17.94	+14.67
Denmark	-0.41	+0.39	+33.88	+37.31	+30.37	+26.75
Finland	+1.28	-0.31	+112.80	+96.40	+81.71	+76.67
France	+2.12	-2.89	+28.04	+19.97	+14.58	+11.39
Germany	+2.83	+0.62	+33.34	+34.26	+30.41	+26.79
Ireland	-1.31	+0.98	+67.58	+47.88	+31.11	+27.47
Italy	-1.12	-9.67	+26.07	+28.06	+15.60	+12.37
Netherlands	+0.70	-0.80	+35.87	+32.06	+28.44	+24.88
Norway	+1.68	-1.25	+56.20	+38.37	+32.28	+28.61
Spain	+1.03	-2.44	+41.18	+42.05	+21.46	+18.09
Sweden	-3.09	-4.68	+60.04	+34.30	+17.14	+13.89
Switzerland	+0.77	+2.42	+47.09	+33.32	+33.35	+29.64
UK	+0.39	-2.86	+17.10	+10.68	+10.68	+7.61
EUROPE	+0.91	-1.91	+27.91	+22.23	+18.56	+15.27
Australia	+0.65	+1.70	+45.98	+29.78	+28.09	+24.53
Hong Kong	-3.84	+8.38	+59.00	+69.81	+74.99	+70.13
Japan	-1.63	-6.59	+21.61	+18.59	+40.61	+36.71
Malaysia	-1.20	+3.49	+76.91	+78.32	+87.90	+82.69
New Zealand	+5.07	-0.89	+52.10	+39.95	+53.57	+49.31
Singapore	-1.03	-3.18	+57.68	+42.25	+50.15	+45.99
Canada	-0.47	+3.27	+24.21	+20.47	+18.68	+15.38
USA	-0.73	-0.34	+8.70	+5.72	+8.73	+5.72
Mexico	+5.95	+8.28	+31.67	+21.03	+24.53	+21.07
South Africa	+3.32	+10.77	+47.84	+37.27	+59.32	+54.89
WORLD INDEX	-0.55	-2.18	+19.22	+15.44	+21.91	+18.53

† Based on November 19th 1993.

By Michael Morgan

Equity markets were in the mood for corrections and consolidation last week, in response to political and corporate developments.

Mexican stocks moved sharply higher in anticipation of, and response to, the US House of Representatives vote on Nafta late on Wedneday, while New Zealand was able to pick up much the previous week's 8.6 per cent fall, as the political outlook finally cleared after the November 6 election.

Hong Kong was lower as profits were taken after the market's bull run and as the war of words over the market's rating continued.

Sweden was another loser with results and forecasts from the index heavyweight Ericsson unnerving investors and analysts alike. A nine fold rise in nine month pretax profits a forecast that 1993 results would be "somewhat more than double" last year's SKr1.3bn failed to impress some analysts who had been expecting SKr3.5bn.

The disappointment was compounded by the telecommunications group's plan to upgrade research and development expenditure next year to SKr16bn, around SKr2bn more than many commentators had expected. The result was a 17.5 per cent slide in Ericsson's share price over the week as a number of US houses cut their 1994 earnings forecasts by 20-25 per cent, and a further 2.5 per cent fall yesterday.

Mr Peter Tron of Unibank noted that the weakness spilled over to other stocks, most notably banks and the forestry sector, with the outlook for US interest rates contributing to the nervous state of the market.

However, he commented that Stockholm had been looking fully valued as the year end approached, with local market indices up 49 per cent this year, although this was limited to a 17.1 per cent rise in sterling terms in the FT-Actuaries World index, reflecting the devaluation of the krona since January.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	FRIDAY NOVEMBER 19 1993 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	THURSDAY NOVEMBER 18 1993 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 1993 High	1993 Low	Year ago (approx)
Australia (69)	165.81	-1.5	156.93	106.66	138.93	157.03	-1.2	3.30	158.19	156.79	107.14	140.72	158.92	162.83	117.39	112.29
Austria (17)	174.24	-0.3	175.49	119.28	155.36	154.91	-0.1	1.03	174.74	175.40	118.36	155.44	155.03	184.47	131.16	141.69
Belgium (42)	152.77	-0.6	153.87	104.58	136.21	137.33	-0.1	4.19	153.75	154.34	104.13	136.77	137.46	158.76	131.19	136.70
Canada (107)	133.43	-0.2	134.39	91.34	118.96	128.26	+0.3	2.56	133.67	134.18	90.53	118.90	127.87	135.64	111.41	112.98
Denmark (32)	235.91	-0.2	237.61	161.51	210.35	218.11	-0.1	1.04	236.30	237.19	160.05	210.20	218.30	241.06	185.11	190.82
Finland (23)	122.98	-1.1	123.87	84.20	109.66	150.07	-1.1	0.70	124.37	124.84	84.24	110.64	151.74	128.99	65.50	66.32
France (98)	163.95	-0.6	165.13	112.23	146.17	153.02	-0.2	3.03	165.01	165.63	111.76	146.77	153.36	173.05	142.72	141.26
Germany (60)	131.91	-0.6	132.86	90.31	117.61	117.61	-0.4	1.81	132.69	133.19	89.88	118.03	118.03	138.13	101.59	105.92
Hong Kong (55)	376.94	-0.6	379.66	258.05	336.11	373.94	-0.6	2.93	379.10	380.54	256.77	337.25	376.26	394.34	216.82	237.56
Ireland (14)	173.08	-1.3	174.32	118.49	154.32	174.32	-1.1	3.25	175.37	176.04	118.78	156.00	176.26	177.89	129.28	126.50
Italy (70)	61.66	-1.3	62.11	42.21	54.98	77.32	-0.7	2.16	62.46	62.70	42.30	55.56	77.86	78.93	53.78	59.18
Japan (469)	143.59	-1.9	144.62	98.30	128.05	98.30	-0.8	0.83	146.33	146.88	99.11	130.18	99.11	165.91	100.75	103.19
Malaysia (69)	477.67	+2.4	481.11	326.99	425.89	469.67	+2.5	1.46	466.60	468.36	316.02	415.05	458.33	487.72	251.66	276.97
Mexico (19)	1996.15	+0.5	2009.50	1365.84	1778.92	6803.75	+0.8	0.72	1984.69	1992.20	1344.26	1765.47	6748.57	1996.15	1410.30	1521.77
Netherland (26)	183.07	-0.7	190.43	129.43	168.58	165.99	-0.5	3.19	190.40	191.12	128.96	169.38	166.86	197.07	150.39	149.75
New Zealand (13)	64.04	-1.2	64.50	43.84	57.10	62.01	-0.9	3.79	64.83	65.08	43.91	57.67	62.55	69.38	40.56	39.53
Norway (23)	177.11	-1.1	178.38	121.25	157.92	178.91	-0.9	1.43	179.02	179.69	121.26	159.25	180.53	185.10	137.71	139.49
Singapore (39)	311.48	-0.4	313.72	213.24	277.72	229.45	-0.2	1.40	312.70	313.88	211.80	278.16	229.91	332.55	207.04	193.42
South Africa (60)	229.39	+0.6	231.04	157.03	204.52	215.72	+1.2	2.49	227.63	228.49	154.17	202.48	213.18	229.39	144.72	136.31
Spain (42)	137.70	-0.6	138.69	94.27	122.78	143.75	-0.6	4.15	138.69	139.12	93.87	123.29	144.58	145.24	115.23	115.75
Sweden (36)	188.55	-4.0	189.91	129.08	168.12	232.79	-3.4	1.50	196.49	197.23	133.08	174.79	240.99	208.92	149.70	160.85
Switzerland (50)	140.51	+0.1	147.56	100.30	130.65	136.88	+0.2	1.59	146.39	146.94	99.15	130.23	136.58	148.18	108.91	104.70
United Kingdom (218)	165.48	-0.8	166.81	126.98	165.36	166.81	-0.5	3.85	167.04	167.75	126.68	166.37	167.75	193.97	162.00	165.08
USA (518)	168.28	-0.2	169.53	128.90	167.68	168.28	-0.2	2.75	188.72	189.44	127.83	167.89	188.72	191.56	175.38	174.47
Europe (751)	156.78	-0.6	157.91	107.33	139.79	152.61	-0.5	2.98	158.03	158.62	107.03	140.58	153.34	162.97	133.92	132.68
Nordic (114)	182.93	-2.6	184.24	125.23	163.10	195.04	-2.2	1.28	187.72	188.43	127.14	166.98	199.34	194.54	142.13	146.76
Pacific Basin (714)	152.49	-1.6	153.59	104.40	135.97	108.43	-0.7	1.11	155.04	155.63	105.02	137.92	109.23	168.80	105.89	107.88
Euro-Pacific (1465)	154.16	-1.3	155.27	105.53	137.45	126.88	-0.6	1.90	156.17	156.76	105.77	138.91	126.67	162.86	117.26	117.92
North America (625)	184.88	-0.2	186.19	126.56	164.85	184.16	-0.2	2.74	185.29	185.99	125.51	164.85	184.55	187.68	171.61	170.66
Europe Ex. UK (533)	138.25	-0.8	139.25	94.67	123.30	132.24	-0.5	2.43	139.31	139.84	94.38	123.95	132.85	143.73	112.51	113.10
Pacific Ex. Japan (245)	238.36	-0.4	240.08	163.20	212.55	221.46	-0.2	2.68	239.22	240.12	162.05	212.82	222.00	245.12	152.70	153.98
World Ex. US (1651)	155.53	-1.2	156.65	106.48	138.68	128.57	-0.6	1.91	157.42	158.01	106.63	140.04	129.29	162.89	118.51	118.79
World Ex. UK (1951)	163.53	-0.8	164.70	111.95	145.82	143.20	-0.4	2.08	164.91	165.53	111.70	146.71	143.81	168.66	134.22	133.93
World Ex. So. Af. (2109)	165.12	-0.9	160.31	113.05	147.24	146.51	-0.4	2.23	166.54	167.17	112.81	148.16	147.18	170.46	137.29	136.77
World Ex. Japan (1700)	178.78	-0.4	180.07	122.40	159.43	175.65	-0.3	2.79	179.52	180.20	121.60	159.72	176.14	181.67	157.47	155.58
The World Index (2164)	165.47	-0.8	166.65	113.28	147.54	147.10	-0.4	2.23	166.86	167.49	113.02	148.44	147.74	170.69	137.32	138.64

Latest prices were unavailable for this edition.